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ABSTRACT

This guide contains 15 lesson plans on financial topics for high school students. The lessons cover the following: (1) securities in the U.S. economy; (2) careers in finance; (3) commercial banking interest rates; (4) understanding financial statements; (5) newspaper stock tables; (6) financial institution operations; (7) foundation skills--mathematics; (8) service technology; (9) all-purpose teller; (10) supervision; (11) Wall Street and the Internet; (12) money and financial institutions; (13) inflation and unemployment; (14) foreign exchange and international finance; and (15) budgeting. Lesson plans consist of some or all of these components: performance objectives, introduction, vocabulary, student preparation; methods and procedures, lecture notes or presentation outline, activities, closure, and tests. (KC)

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Business Services and Technology

Advanced Finance

Instructional Guide

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CURRICULUM MATERIALS FOR THE ADVANCED FINANCE COMPONENT

A SUPPLEMENT TO THE BUSINESS SERVICES AND TECHNOLOGY PROGRAM

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Overview of Guide to Lesson Plan

This teaching activity guide represents an effort by Eastern Michigan University's Department of Business & Technology Education, the Michigan Department of Education, and classroom teachers to advance the teaching of financial topics within the Business Services & Technology programs of the state of Michigan. They were prepared by contributing teachers at the secondary and university level under a grant provided by the Michigan Department of Education, Office of Career & Technical Education.

The materials described in this guide have been field-tested by the submitting teachers. Lessons 1 through 5 were submitted by Bonnie Sarver, a teacher of business courses at South Lyon High School and a graduate of the New York Stock Exchange "Teach the Teacher" Workshop. Lessons 6 through 10 were developed by Fritz Marin, a teacher of Marketing and Business courses at Jackson Area Career Center. Lesson 11 was developed by David W. Leapard, Associate Professor of Business & Technology Education at Eastern Michigan University who also served as editor of the guide. Lessons 12-15 were written by Gail Johnson, a teacher of Business Education courses at Maple Valley Junior/Senior High School.

Many of the lessons make reference to textbooks or other published material for support. This reference does not necessarily constitute an endorsement of those publications, although they have been field-tested by the contributors. Teachers not having access to the identified texts can adapt the lessons to the content of similar texts with little difficulty. Those desiring more information about the references may contact Dr. Leapard at EMU (Phone: 313-487-4330). It is the sincere hope of the team that the information contained in this guide will be useful to Michigan Business Services & Technology teachers as they pursue this exciting new subject area.

Lesson 1

Securities in the American Economy

UNIT: The Securities Exchanges

Performance Objectives:

1. Students will be able to explain the function of securities in the American private enterprises system.
2. Students will be able to define common stock, preferred stock, and retained earnings.
3. Students will have an awareness of their role in the securities market.
4. Students will know the difference between stocks and bonds.
5. Students will know the advantages and disadvantages of corporations, partnerships, and sole proprietorships.

Introduction

This lesson plan is one which is appropriate for use with the unit of study, "The Securities Exchanges." It is important that the students be able to identify with the individual citizen's role in our economy. Students will see how they can effect a change in our economy through the securities market.

Vocabulary

Bond	Capital Gain
Capital Goods	Capital Loss
Common Stock	Dividend
Equity	Maturity
Preferred Stock	Retained Earnings
Securities	Corporation
Partnership	Sole Proprietorship
Investment	Investment Broker
Mutual Fund	Liquidity

For completion, you will need...

Textbook: *You and the Investment World, New York Stock Exchange, Inc.; New York, NY.

Form to analyze stocks and bonds
Form to compare various business organizations
Activity Sheets
Overhead Projector

Student Preparation

Read textbook, You and the Investment World; Chapter 1, "The NYSE, A Capital Idea for Corporations and Investors."

Method/Procedure

Present the information listed below with the use of an overhead for visual support for this lesson. There will be Activity Sheets and handouts for students to complete for "Stocks and Bonds" and "Business Organizations" to facilitate active student participation in this lesson.

Lecture

The teacher will explain...

1. What a securities market is.
2. The profile of a typical investor.
3. How people are indirect participants in the stock market.
4. How the role of a growing American economy affects jobs and standard of living.

Activities

Attached is a copy of an Activity Sheet and handouts for "Stocks and Bonds" and Advantages or Disadvantages of Various Business Organizations".

USE OVERHEAD.

Distribute handouts:

Distribute handouts:

1. Activity Sheets;
2. Stocks and Bonds;
3. Comparing Business Organizations.
4. Complete Activity Sheet with students: 3 Basic Methods for Raising Capital.
5. Complete "Stocks and Bonds" handout with students.
6. Complete "Advantages/Disadvantages of Various Business Organizations" handout with students

Closure

Quiz students (written and verbal):

1. What is an Investment?
2. What are Retained Earnings?
3. What are Capital Gains?
4. Name 3 ways a corporation may raise Capital.
5. In what way might a person be an indirect stock holder?
6. How is a BOND different from a STOCK?

ACTIVITY 1

Corporations need to raise capital (money) on an ongoing basis to continue research and development of goods and services, to purchase and replace tools and machinery, and to expand their production capabilities. Corporations have three methods available for raising new capital in the private enterprise system:

1. retained earnings - putting money from the company's profits back into the business.
2. borrowing - taking out loans or issuing bonds which are sold to investors.
3. equity financing - issuing new shares of stock.

Although we frequently hear the words "stocks and bonds" used together, these two types of securities differ significantly. A person who buys a bond essentially is lending money to the issuer of the bond, usually a company or a branch of government. The issuer of the bond promises to repay the amount of the loan at a specific time (stating the date of the bond and maturity value). Between the time the loan is made and the date of maturity the issuer also promises to pay the bondholder a specified amount of interest at specified intervals.

On the other hand, a person who owns stock in a company has not loaned money to the company but rather has become a part-owner. Shares of stock represent equity in the company. As a part-owner of the company, the shareholder shares both the risks and the rewards of doing business. If the company prospers, the stockholder profits, either in the form of dividends (payments to the stockholder from the company) or capital gains (an increase in the value of the stock over the price that the stockholder originally paid) or both. If the company should fall upon hard times, however, the stockholder might find dividend payments reduced or eliminated, and, should the stockholder decide to sell the stock, he or she might be forced to take a lower price than that which was originally paid.

Companies may issue common stock, preferred stock, or both. Owners of common stock are entitled to receive voting rights in the company: each share usually equals one vote in the election of the directors of a company and on some issues. Stockholders may also receive dividends, with the amount and frequency determined by the board of directors.
Owners of preferred stock accept a fixed dividend and may have reduced voting privileges in exchange for the company's guarantee that it will pay all dividends to preferred stockholders before it pays any dividends to common stockholders. Owners of preferred stock also are guaranteed prior claim on the company's assets in the event of liquidation.

Read the following statements and fill in the blanks to make the statement true.

1. **Corporations need new _____for research and development, improvement of goods and services, and growth.**

2. **Corporations have three ways, in the private enterprise system, to raise new capital:**

   _____

   _____

   _____

3. **_____own equity in the corporation.**

4. **A_____is much like an IOU or promissory note in that it is a loan that should be repaid.**

5. **Dividends are paid first to_____stockholders before_____stockholders.**

6. **Owners of preferred stock are guaranteed prior claim on the company's in the event of _____.**

7. **Among the investors in bonds, common stocks, and preferred stocks, those taking the greatest risk are_____.**

STOCKS AND BONDS

	Bonds	Common	Preferred
Dividends			
Voting Rights			
Degree of Risk			
Claim, if liquidated			

BUSINESS ORGANIZATIONS

	Advantages	Disadvantages
Sole Proprietorship		
Partnership		
Corporations		

Lesson 2

Careers in Finance

UNIT: Career Planning

Performance Objectives:

1. Students will be able to identify three careers (or related careers) in finance.

2. Students will perform the necessary research for writing a short paper on financial careers using the Michigan Occupational Information System (MOIS), Dictionary of Occupational Titles (DOT), and other available resources in their schools to locate information concerning:

   a. Nature of Occupations
   b. Occupational Specialties
   c. Working Conditions and Requirements
   d. Education and Preparation Opportunities
   e. Opportunities for Experience and Methods of Entry
   f. Earnings and Advancement
   g. Employment and Outlook

3. Students will be able to compose and prepare in proper format a resume, letter of application, follow-up letter, and properly complete an application form.

4. Students will know the reasons for and importance of each document prepared in Objective #3.

5. Students will be able to present themselves properly for a job interview.

INTRODUCTION

This lesson plan is one which may be used for exploring careers and related career fields for the Financial Analyst. Use as many of the materials listed below to ensure that this is an active learning situation to enhance student motivation and learning.

Invite a speaker from a local financial institution (or other related business) to make a presentation to your students on financial careers.

Make use of job shadowing (pairing each student with an employee in a local business) to provide your students with an opportunity to observe employees in financial careers in action; this is a great way to cap the lesson.

For completion, you will need...

Textbook - use for information on resume and letter preparation needed to complete the job application portion of the lesson plan. One such text is CENTURY 21 KEYBOARDING, FORMATTING AND DOCUMENT PROCESSING;
Robinson,Hoggatt, Shank, Ownby, Beaumont, Crawford, Erickson; 5th Ed.;
Southwestern Publishing Company.
MOIS - Michigan Occupational Information System
DOT - Dictionary of Occupational Titles
Newspapers, Classified Ads
Job Application Forms
Phone Book
Video - "The Employment Interview for High School"
Johnson/Rudolph Educational Resources; Bowling Green, Kentucky.
Overhead

Vocabulary

Resume
MOIS
DOT
Letter of Application
Follow-up Letter

Student Preparation

Read Textbook Materials

Methods/Procedures

Present the lecture information listed below with the use of an overhead for visual support for this lesson. This lesson is rich with student activity including the preparation of resumes, letters, and application forms; a speaker on careers; a video on job interviews; and a job shadowing experience for each student.

Closure

Quiz students (written/verbal)

1. Name three careers or related jobs in the financial area.
2. Name the various parts of a resume.
3. What is the salary range for a financial analyst?
4. List three duties for careers in Question #1.
5. What is the outlook for Financial Analysts careers by the year 2000?

Lesson 3

Collecting Financial Information with the Internet

UNIT: Commercial Banking Interest Rates

Performance Objectives:

1. Students will be initiated into searching the Internet for banks various towns, cities, states, and foreign countries.

2. Students will learn how interest rates vary from bank to bank.

3. Students will understand how "shopping" for the best rates can save or make more money.

4. Students will have a better understanding of "Banking Terminology."

5. Students will make a comparison of interest rates provided by various banks.

Introduction

This lesson plan will introduce students to the Internet using Netscape Navigator 2.0 to find financial information and, in particular for this lesson, "Commercial Banking Interest Rates." There is no one correct site to access, so the students will be allowed much latitude in locating and disseminating information to the instructor.

For completion, you will need...

1. Computer with Internet access and Netscape Navigator 2.0.
2. LCD panel for demonstration.
3. Net Search handouts 1, 2, 3, 4 and 5.
4. Interest Rate Comparison Worksheet.

Vocabulary

APR
URL Address
CD
Search Engines
Money Market Account
Web page
Checking and Savings Account
Links
Point your browser

Student Preparation

Previous knowledge of or experience on the Internet or Netscape Navigator prior to this exercise would be helpful.

Method/Procedure

Instructor lectures and/or has speaker from local bank to present:

1. Why each bank has different interest rates for the same or similar services.
2. How bank rates are often negotiable.
3. How students can benefit from knowing the different rates that are available.
4. How this information can be readily obtained on the Internet.
5. Give a brief explanation of the Internet.

Activities

Instructor may choose to demonstrate the following using an LCD panel prior to student use. Have students access the Internet using Netscape Navigator and:

1. Click on "Net Search" (they will see a page that resembles Handout #1). Near the top there will be a bar chart listing of "search engines" named **Infoseek Guide, Lycos, Magellan, Excite, and Yahoo.**
2. To locate online banks use the "search engines". Netsearch will arbitrarily select one of the five listed above, but for this lesson choose "Magellan", in the search box key type key words"online banking" and clock the search button (you will see a page that resembles Handout #2).

3. Click on "Online Banking and Financial Services" or point your browser to...
   "www.orcc.com/banking.htm"
   (you will see a page that resembles Handout #3).

4. Click on "Banks" or point your browser to...
   "www.orcc.com/banks.htm"
   (you will see a page that resembles Handout #4).

5. Click on "North America" or point your browser to...
   "www.orcc.com/banks_na.htm"
   (you will see a page that resembles Handout #5).

6. Students should locate four different banks in various parts of the country and record interest rates requested on "Worksheet."

NOTE:

1. Many of the larger banks do not list their interest rates on their web sites. One must contact them to obtain this information. A lot of the smaller banks do list their interest rates. If you are having trouble finding banks that list their interest rates, try connecting with those shown on the bottom of the Worksheet.

2. The Internet is in a constant state of change; therefore, it is very likely the appearance, location and address of the above referenced web will change by the time this lesson is used. The procedures, however, should remain the same.

3. Also note that the list is rather lengthy. You will find Michigan banks on page 7 of the 12 page directory.

Handout # 1

Welcome to Netscape

http://home.netscape.com/

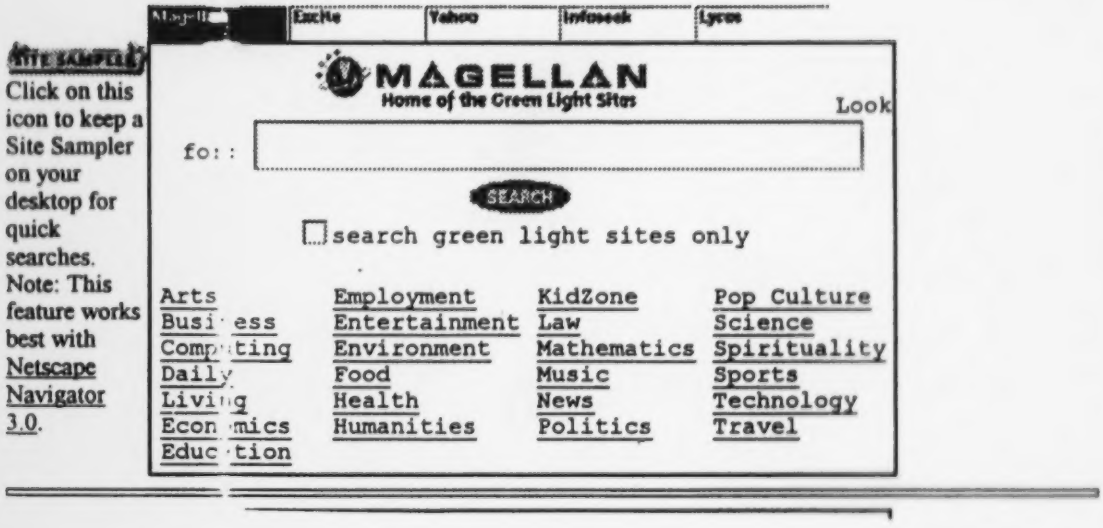
PROXY SERVER 2.5 NOW AVAILABLE

BEST COPY AVAILABLE

Handout #2

Net Search

http://home.netscape.com/escapes/search/netsearch4.html



Handout #3

Online Banking and Financial Services Home Page http://www.orcc.com/banking.htm

This site was named one of the top 500 Business Sites on the Web

[Banks | Credit Unions & Building Societies | Investment Svcs | Financial Svcs]
[Other Sites related to Money | Late Breaking News |Fun Sites]

Search The Directory: Search

Reset

VENTANA INTERNET BUSINESS 500 3-STAR SITE MAGELLAN

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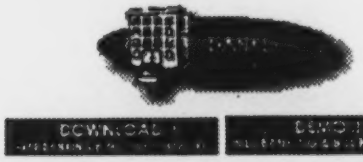
Handout #4

WORLDWIDE BANKING DIRECTORY



We are always looking for new sites, and welcome your suggestions

Click on the area of the world you are interested in or select from the list below:

- **NORTH AMERICA**
- **CENTRAL AMERICA, CARIBBEAN & SOUTH AMERICA**
- **EUROPE**
- **MIDDLE EAST & AFRICA**
- **ASIA**
- **AUSTRALIA/NEW ZEALAND**

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HANDOUT #5

BANKS - NORTH AMERICA, (458)

DOWNLOAD !! CLAIM !

We are always looking for new sites, and welcome your suggestions SUGGEST A SITE

North America

CANADA

- Banca Commerciale Italiana of Canada
- Bank of Canada
- Bank of Montreal
- Bayshore Trust
- Citizen's Trust
- Canada Trust
- Canadian Imperial Bank of Commerce
- The Canandaigua National Bank and Trust Co.
- Laurentian Bank
- Pacific Coast Savings
- Royal Bank of Canada
- Scotiabank
- Toronto Dominion Bank

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WORKSHEET

Bank Name	Interest Rates for			
Location (city, state)	CD	Money Market	Savings	Checking

Georgia State Bank, Georgia www.geobank.com
Capital State Bank, West Virginia www.newwave.net/^capstate/deposit.htm
Baraboo National Bank, Wisconsin www.barnatl.com/default.htm
Black River County Bank, Wisconsin www.brcbank.com
Great Midwest Bank, Wisconsin www.webzonecom.com/gmbank/default.htm
Treasury Bank, Washington, D. C. www.treasurybank.com
Crown Bank, Florida www.usdeposit.com/CDs.html
Metrobank, Indiana www.metb.com/index.html
Citizens State Bank, Kansas www.pta.6000.pld.com:80/users/clarkpyl/csbank.html

Closure

Have the students turn in "Worksheet" requested above and quiz them on "Vocabulary".

NOTE:

The above procedures can be repeated for searching any type ofinformation on the Internet. Again, the most important thing to learn is how to perform the search to get meaningful results, keywords are an important part of the process. If we had used different keywords in the search box, we may eventually have found the same information we were looking for, but it would have taken longer.

Lesson 4

Understanding Financial Statements

UNIT: Financial Analysis

Performance Objectives:

1. Students will be able to define and explain the importance of the information contained in a Balance Sheet and an Income Statement.

2. Students will know the meaning of the select accounting terms as listed in "Vocabulary" section.

3. Students will be able to classify Assets and Liabilities.

4. Students will be able to prepare a simple Balance Sheet.

5. Students will know the basic accounting equation:

   Assets = Liabilities + Stockholders Equity

6. Students will be able to prepare a simple Income Statement.

Introduction

This lesson plan is one which may be used in the unit of study,"Financial Analysis". It is important that the students understand what these basic financial statements are, how they are prepared, and the importance they have in understanding a company's financial position.

Vocabulary

Asset	Net Income
Liability	Stockholders Equity
Net Loss	Rulings
Retained Earnings	Expenses
Revenues	

For completion, you will need...

Textbook: Century 21 Accounting (for prepared and blank accounting papers);
Ross, Hanson, Gilbertson, Lehman & Swanson, Southwestern Publishing Co.
Southwestern Publishing Co.

Prepared Balance Sheets and Income Statements
Accounting forms for Balance Sheets and Income Statements
Overhead Projector

Method/Procedure

1. Present the information listed below with the use of an overhead for visual support of the lesson. Explanation of these financial statements should be given to the students along with a copy of completed financial forms for student reference.

   Balance Sheet Define:

   Basic Accounting Equation
   Balance Sheet Format
   Balance Sheet Calculations

   Income Statement Define:

   Income Statement Format
   Income Statement Calculations

   Balance Sheet Activity (show on overhead)

2. The students will sort a mixed list of Assets and Liabilities into separate columns.

3. The students will write the various Assets and Liabilities and their figures on a Balance Sheet form in proper format.

4. Complete calculations and rule.

Income Activity Statement (show on overhead)

5. The students will sort a mixed list of Expenses and Revenues into separate groups.

6. The students will write the various Expenses and Revenues and their figures on an Income Statement form in proper format.

7. The students will complete calculations, determine Net Income or Net Loss, and rule.

Closure

Quiz students (written/verbal)

1. Define a Balance Sheet.
2. Define an Income Statement.
3. Which financial statement shows the financial position of a company?
4. What is an asset?
5. Which financial statement shows Net Income?

INCOME STATEMENT

Classic Cereal Company
Income Statement
For the Year Ended December 31, 1995

Revenues			
Gross sales		$ 720,000	
Less: Sales returns and allowances	$ 12,000		
Sales discounts	$ 8,000	-20,000	
Net sales			$ 700,000
Cost of goods sold			
Beginning inventory, January 1		$200,000	
Merchandise purchases	$400,000		
Freight	40,000		
Net purchases		$440,000	
Cost of goods available for sale		640,000	
Less ending inventory, Dec. 31		-230,000	
Cost of goods sold			- 410,000
Gross Profit			$ 290,000
Operating expenses			
Selling expenses			
Salaries for salespeople	$ 90,000		
Advertising	$ 18,000		
Supplies	$ 2,000		
Total selling expenses		$ 110,000	
General expenses			
Office salaries	$ 67,000		
Depreciation	1,500		
Insurance	1,500		
Rent	28,000		
Light, heat, and power	12,000		
Miscellaneous	2,000		
Total operating expenses		112,000	
			222,000
Net income before taxes			$ 68,000
Less: Income tax expense			19,000
Net income after taxes			$ 49,000

Lesson 5

Newspaper Stock Tables

UNIT: The Securities Exchanges

Performance Objectives:

1. Students will have an understanding of the newspaper stock tables.
2. Students will learn to chart stocks.
3. Students will know the meaning of select vocabulary associated with the newspaper financial pages.
4. Students will be able to calculate P/E ratio.
5. Students will be able to calculate "net change" in stock prices.

Introduction

This lesson plan is one which may be used in the unit of study, "The Securities Exchanges". Use of the financial pages of the newspaper is an excellent approach to teaching about the securities exchanges. Also, there aren several "stock market" games in which you may wish to have your students participate.

For completion, you will need...

Textbook: YOU AND THE INVESTMENT WORLD; New York Stock Exchange, Inc.; Educational Services; New York, NY.
Stock Charts
Newspapers
Overhead
Activity Sheets
Company Names (students will draw a name)

Vocabulary

Close
Low
P/E Ratio
Portfolio
Dividend
High
Net Change
Points
Round Lots
Stock Split

Student Preparation

Read Textbook: YOU AND THE INVESTMENT WORLD, Chapter 4 - "Reading the Financial Pages".

Method/Procedure

Present the information listed below with the use of an overhead for visual support to this lesson. There will be newspapers and activity sheets available for the students to actively participate in the lesson.

Lecture

Explain the various column items from the stock pages in the newspaper.

1. Abbreviated names of the corporations issuing the stock.
2. Dividends paid.
3. Various symbols noted in the newspaper.
4. P/E Ratio and its formula.
5. Net Change for a share of stock.
6. Trading shares in lots.
7. High/Low daily prices.

An Activity Sheet and a stock chart are included and are to be distributed to the students for their completion.

Activities

1. Students will complete the activity sheet. After completion, correct and discuss the answers to questions.
2. Use the overhead to demonstrate how the students will complete a stock chart.
3. Students will draw names of various companies from a hat of various companies to be used for charting. (Students may choose own company after perusing the financial pages of the newspapers.)

Homework Assignments

1. Students will begin to monitor and chart their companies for a designated number of weeks (keep in class for observation).

2. Students will begin to collect newspaper articles concerning their stocks.

Closure

Quiz students (written/verbal)

1. What is P/E Ratio?
2. What is the formula to find a P/E Ratio?
3. Why is the P/E Ratio important?
4. How many shares are in a round lot?
5. What is a dividend?
6. What is the formula to find Net Change in a Stock Price?
7. What are the meanings of the vocabulary words?

ACTIVITY SHEET

New York Stock Exchange Transactions
Monday, January 19, 1987

Stock	Dividend	P/E Ratio	100's	High	Low	Close	Chng
CocaCl[1]	1.04[2]	20	9675	41 7/8	40 1/8	41 5/8	+ 7/8
Exxon	3.60	10	95950	78 7/8	77 5/8	78 5/8	+ 5/8
G Mot	5.00e[3]		710134	70	68	70	+1 1/4
IBM	4.40		1327456	125 1/4	119	125 1/4	+5 3/4
McDnld	.66	13[5]	3810[6]	66 1/2	64 3/4[7]	66 1/2	+ 1/8[8]
RJRpf[4]	11.50		375	123	123	123	+ 1/8

1. Abbreviated name of the corporation issuing the stock. Stocks listed are common unless an entry after the name indicates otherwise.

2. Rate of annual dividend-for this stock, $ 1.04. The amount is an estimate based on the last dividend payment.

3. Letter following the dividend number indicates additional information. Here, the "e" designates the stated amount as declared or paid so far this year. Other symbols are ex plained in tables accompanying the stock tables.

4. The "pf" following the name of the stock indicates a preferred class of stock.

5. The price of a share of stock divided by earnings or profit per share for the last 12-month period.

6. Number of shares traded for the day expressed in 100's excluding odd lots-for this stock 381,000.

7. The highest and lowest prices paid for the stock during the day's trading-here, the highest, $ 66.50; the lowest, $ 64.75.

8. The last sale of the day was at this price. (The amount here, $123, is $ .1250 higher than the preceding day's closing price). In interpreting the stock tables, you will notice that stock prices are given not in dollars and cents but in points and fractions of points. However, one stock point equals one dollar. Thus, a quote price of "40 1/2" means that the price of the stock is $ 40.50. A stock that closed at "22 5/8" sold in the last transaction of the day for $ 22.625 per share. How much is a 1/4 point worth?_____

In the blanks following each question, provide the correct answer from the newspaper table printed above.

1. What is the rate of dividend for McDonald's stock? _____

2. How many shares of Coca Cola common stock were sold on this date? _____

3. How much did the price of McDonald's change during the day (expressed in dollars and cents)? _____

4. At what price (expressed in dollars) did McDonald's close? _____

5. How was the price of IBM changed since the previous day (expressed in dollars and cents)?

   _____

6. Which of these stocks paid the highest dividend last year? _____

Handout

Distribute local nespapers and have students review the stocks. Note that some daily papers do not carry a complete selection of stocks every day.

Lesson 6

Financial Institution Operation

UNIT: Institution Operations

Performance Objectives:

Upon completion of this lesson, the student will be able to:

1. List eleven different types of equipment used by employees of financial institutions and what they do.

2. Write the unique characteristics and uses for blank, special, restrictive, qualified, and conditional endorsements.

3. Simulate the performance of basic teller operations, including opening and closing a teller drawer, cashing checks, accepting deposits, and processing withdrawals.

4. Demonstrate knowledge about opening new checking and savings accounts by writing the defini tion of signature cards, initial deposits, and Expedited Funds Availability Act.

5. Explain the nature of teller supervision, by writing a short explanation.

6. Explain the nature of a trust account, by writing a short definition.

Pre-Assessment

If you feel you know this material, ask your instructor for the test. Otherwise, proceed to the next step.

Introduction

For completion, you will need...

Textbook: Financial Services, 2nd edition, Chapter 6 Outline
Tools and equipment: sample checks, deposit slips, teller sheets, calculators, pencils, in & out slips, transparencies, and an overhead projector, materials, books, etc.

Student Preparation

All or part of these activities will be assigned to students on the basis of individual student needs.

1. Read pages 95 through 102 in the textbook.

   -Complete your chapter outline through III. TRANSACTIONS ON EXISTING ACCOUNTS, B. Checking for Proper Endorsements, 5. Conditional endorsements.
   -Experience 6-1 will be modified only in that you will not draw five forms and cut each to the size of a typical personal check, sample checks will be distributed.

2. Read pages 102 through 104 in the textbook III. TRANSACTIONS ON EXISTING ACCOUNTS, D. Cashing and Issuing Checks, 4. Cashing other checks.
   -Experience 6-2 can be done as it is suggested or you can elect to write out a dialogue for each role-play. If you elect to role-play you must keep notes as to who was the customer and what was said with regard to the situation or transaction.

3. Read pages 104 and 105 in the textbook.
   -Complete your chapter outline through III. TRANSACTIONS ON EXISTING ACCOUNTS, D.Cashing and Issuing Checks, 8. Issuing Money Orders.
   -Experience 6-3 can be done as directed or the teacher can elect to prepare a transparency and instruct the class on one of the four cases.

4. Read pages 105 through 108 in the textbook.

   -Complete your chapter outline through III. TRANSACTIONS ON EXISTING ACCOUNTS, J. Processing Government Bond Transactions. 2. Cashing government bonds.
   -Complete Experience 6-4, use the interest earned table on page 109.

5. Read pages 109 and 110 in the textbook.

   -Complete your outline through III. TRANSACTIONS ON EXISTING ACCOUNTS, K. Processing Certificates of Deposit, 2. Cashing Certificates of Deposit.
   -Complete Experience 6-5 and write out the dialogue for each role-play and identify who was your customer.

6. Read pages 110 through 113 in the textbook.

   -Complete your outline through IV. OPERATING NEW ACCOUNTS, B. Opening Savings Accounts.
   -Complete Experience 6-6.

7. Read pages 113 and 114 in your textbook.
   -Complete the remainder of your outline.

Lecture

The teacher will...

1. Convey to the students the importance of planning for one's career for job satisfaction.

2. Explain the necessary steps and procedures for a job search.

3. Explain what MOIS and DOT are and how they will be used.

Activities

1. MOIS and DOT - Use your high school's computer lab, counseling office, or library where the students may access the MOIS system and the DOT book to obtain job information as indicated in Objective #2.

2. Discuss and follow good examples of proper formatting in a Word Processing textbook for resumes, letters of application, follow-up letters, and job application forms.

   Students will find job ads in the newspaper for finance positions for which letters and resumes will be prepared (in acceptable form) on the computer.

3. Invite a speaker from a local business to speak on financial careers.

4. Show a video on "Job Interviewing". You might check your library or the ISD in your district for appropriate viewing material for high school students.

5. If possible, arrange a day "job shadowing" experience for each student with a business in your community.

6. Some pre-experience in interviewing can be accomplished with a few mock interviews with some of the students in the classroom.

Homework Assignment

1. Students will search for an ad for a finance related job in the classified section of the newspaper.

2. Students will read related text materials on careers and job application.

Activities

1. Ask the student to contact his/her own or parent's financial institution, arrange a visitation to view the equipment used by tellers and other employees in that financial institution. If possible, arrange to visit the data processing department of that institution, if it is highly automated.

Closure

At the completion of these actviities, the instructor will administer the module test.

Student Name:_____

CHAPTER 6

SERVICE TECHNOLOGY: FINANCIAL INSTITUTION TECHNOLOGY and OPERATION

LEARNING OUTCOMES:

1. List eleven different types of equipment used by employees of financial institutions and the tasks they perform.

2. Write the unique characteristics and uses for blank, special, restrictive, qualified, and conditional endorsements.

3. Simulate the performance of basic teller operations, including opening and closing a teller drawer, cashing checks, accepting deposits, and processing withdrawals.

4. Demonstrate knowledge about opening new checking and savings accounts by writing the definition for signature cards, initial deposits, and Expedited Funds Availability Act.

5. Explain the nature of teller supervision, by writing a short explanation.

6. Explain the nature of a trust account, by writing a short definition.

CHAPTER OUTLINE

I. CHANGING TECHNOLOGIES

II. FINANCIAL INSTITUTION TECHNOLOGY

data processing:_____

A. Electronic Data Processing:_____

computer terminal: _____

B. Financial Services Equipment

Teller machine: _____

Encoding machine: _____

Money validator: _____

Microfiche reader: _____

Teller vault: _____

Coin counter: _____

Change-dispensing machines: _____

Black-light lamp: _____

III. TRANSACTIONS ON EXISTING ACCOUNTS

A. Opening and closing the teller window

Opening the window: _____

Closing the window: _____

B. Checking for proper endorsements

Endorsements: _____

Expedited Funds Availability Act: _____

_____

Endorser: _____

1. Blank endorsement: _____
2. Special endorsement: _____
3. Restrictive endorsement: _____
4. Qualified endorsement: _____

Exp. 6-1 5. Conditional endorsement: _____

C. Putting holds on accounts

Hold: _____(EFAA)

Stop payment: _____(EFAA)

D. Check Cashing Procedures

1. Cashing personal checks: _____

2. Cashing government checks: _____

3. Cashing checks made out to companies: _____

Exp. 6-2

4. Cashing other checks:_____

5. Issuing travelers checks: _____

6. Issuing certified checks: _____

7. Issuing cashier's checks: _____

Exp. 6-3

8. Issuing money orders: _____

E. Accepting deposits

1. Mail deposits: _____

2. Night deposits: _____

F. Processing withdrawals

G. Transferring funds between accounts

H. Processing payments

I. Processing safe-deposit box transactions

safety deposit boxes: _____

J. Processing government bond transactions

1. Issuing certificates of deposit: _____

Exp. 6-4 2. Cashing government bonds: _____

K. Processing certificates of deposit

1. Issuing certificates of deposit: _____

Exp. 6-5 2. Cashing certificates of deposit: _____

IV. OPERATING NEW ACCOUNTS

A. Opening checking accounts

1. Expedited Funds Availability Act (EFAA): _____

2. Account information and identification: _____

3. Signature card: _____

4. Initial deposit: _____

Exp. 6-6

B. Opening savings accounts

V. PROVIDING TELLER SUPERVISION

Internal audit: _____

VI. TRANSACTIONS INVOLVING TRUST ACCOUNTS

Trust account: _____

1. Individual accounts: _____

2. Corporate accounts: _____

Student Name: _____

Chapter 6 / Test A

SERVICE TECHNOLOGY: FINANCIAL INSTITUTION TECHNOLOGY & OPERATION

DIRECTIONS: Choose the best answer, and mark it on this sheet.

1. Which of the following Federal Acts of Congress has set standards for check endorsements, and also requires financial institutions to disclose to customers when deposited funds will be available to them?

   A. Expedited Funds Availability Act
   B. Electronic Funds Transfer Act
   C. Uniform Commercial Code
   Answer ___ D. Consumer Credit Protection Act

2. Which of the following endorsements relieves the endorser of the obligation to pay if the check is dishonored?

   A. Conditional endorsement
   B. Special endorsement
   C. Restrictive endorsement
   Answer ___ D. Qualified endorsement

DIRECTIONS: Mark each of the following statements true (T) or false (F). Read each question carefully, there may be only one word that makes the statement false.

3. ___ Suggesting other products or services that the customer has not specifically requested is NOT the teller's responsibility.

4. ___ A restrictive endorsement has the words "Pay to the order of" written above the endorsement. This protects against possible loss before the funds are transferred.

5. ___ Tellers must follow established procedures when cashing and issuing various kinds of checks. These procedures are the same for all financial institutions.

6. ___ A certified check may be issued to an individual who does NOT have a checking account and, therefore, cannot be issued a cashier's check.

7. ___ Bonds can be cashed prior to maturity, as long as they are three months old.

8. ___ The term "data processing" refers to the handling of information by completing a series of operational steps that can be performed manually or electronically.

9. ___ A signature card serves as evidence of acceptance of the account terms by the customer.

10. ___ An endorsement is a signature plus any other writing on the back of a negotiable instrument, by which the holder transfers his/her rights to the funds to someone else.

Student Name: _____

CHAPTER 6 / TEST B

SERVICE TECHNOLOGY
FINANCIAL INSTITUTION TECHNOLOGY AND OPERATION

DIRECTIONS: Choose the best answer and mark it on this sheet.

1. Which of the following relieves the endorser of the obligation to pay if the check is dishonored?

   A. Conditional endorsement
   B. Qualified endorsement
   C. Restrictive endorsement
   Answer: ___ D. Special endorsement

2. Which of the following Federal Acts of Congress has set standards for check endorsements, and also requires financial institutions to disclose to customers when deposited funds will be available to them?

   A. Electronic Funds Transfer
   B. Expedited funds Availability Act
   C. Uniform Commercial Code
   Answer: ___ D. Consumer Credit Protection Act

DIRECTIONS: Mark each of the following statements true (T) or false (F). Read each question carefully, since there may be only one word that makes the statement false.

3. ___ Suggesting other products or services that the customer has not specifically requested is the teller's responsibility.

4. ___ A special endorsement has the words "pay to the order of" written above the endorsement. This protects against possible loss before the funds are transferred.

5. ___ Tellers must follow established procedures when cashing and issuing various kinds of checks. These procedures are not the same for all financial institutions.

6. ___ A certified check may be issued to an individual who does not have a checking account at that financial institution, but they can also be issued a cashier's check.

7. ___ United States bonds can be cash prior to maturity, as long as they are three months old.

8. ___ The term "data processing" refers to the handling of information by completing a series of operational steps that can only be performed electronically.

9. ___ A signature card serves for security, but NOT for evidence of acceptance of the account terms by the customer.

10. ___ An endorsement is a signature plus any other writing, usually on the front of a negotiable instrument, by which the holder transfers his/her rights to the funds to someone else.

Lesson 7

Foundation Skills

UNIT: Financial Mathematics

Performance Objectives:

Upon completion of this lesson, the student will be able tO:

1. Define principal, rate, time, interest, and maturity value.
2. Solve interest formula problems when given two of the three components (principal, rate, or time).
3. Identify interest calculation that uses exact interest-exact time, ordinary interest-exact time, or or ordinary interest-ordinary time.
4. Calculate simple interest by using tables and calculators.
5. Identify interest calculations as discount, add-on, or simple interest.
6. Explain how annual percentage rate (APR) is useful to the consumer.
7. Identify the major difference between simple interest and compound interest.
8. Calculate compound interest by using tables.
9. Explain the results of mathematical computations to the customer or another student.
10. Explain the use of annual effective yield in comparing investments.

Pre-Assessment

If you feel you know this material, ask your instructor for the test. Otherwise, you will need to proceed to the next step.

Introduction

For completion, you will need...

tools and equipment:

Textbook, Financial Services, 2nd edition

open mind, pencil, pocket calculator materials, books, etc.

Student Preparation

All or part of these activities will be assigned to students on the basis of individual student needs.

1. Read pages 57 through 58 in the textbook (stop just before calculation of interest):
   -Complete your chapter outline through II. Interest Charges on Loans: A. Days in the term of a Loan.
   -Complete Experience 4-1, CALCULATING DAYS IN THE TERM OF A LOAN, page 58.

2. Read pages 58 through 62 in the textbook.

   -Complete your chapter outline through D. Real Estate Loans.
   -Complete Experience 4-2, REAL ESTATE LOAN INTEREST, page 62.

3. Read the remaining part of pages 62 and 63 in the textbook, and look over Table 5 on page 63.

   -Complete Experience 4-3, REAL ESTATE PAYMENTS, page 63.

4. Read pages 64 and 65 in the textbook (stop just before Interest on Savings and Investments).

   -Complete your chapter outline through E. Revolving or Open-End Credit.
   -Complete Experience 4-4, REVOLVING OR OPEN-END CREDIT, page 65.

5. Read page 65 in the textbook.

   -Complete your chapter outline through III. Interest on Savings and Investments: A. Simple Interest.
   -Complete Experience 4-5, SIMPLE INTEREST EARNINGS, page 66.

6. Read page 66 in the textbook, and look over Table 6, page 66.

   -Complete Experience 4-6, USING A SIMPLE INTEREST TABLE, page 67.

7. Read page 67 in the textbook.

   -Complete Experience 4-7, SOLVING FOR THE UNKNOWN FACTOR, pages 67 and 68.

8. Read pages 68 and 69 in the textbook, and look over Table 8 on pages 69 and 70 (stop just before Annual Effective Yield).

   -Complete Experience 4-8, USING COMPOUND INTEREST TABLES, page 70.

9. Read the remaining part on pages 70 and 71.
   -Complete your chapter outline.

10. Review with your instructor these key concepts:

    -The three things everyone needs, when solving for interest are principal, rate, and time.
    -The process of paying back the principal and interest of a loan through an installment process of equal periodic payments on a declining balance is called amortization.
    -Each time a payment is made on a simple interest installment loan, interest and part of the principal are repaid.
    -With discount interest loans the interest is subtracted from the requested loan amount.
    -The annual effective yield (A.E.Y.) is the actual interest rate that is paid on $ 100 for ONE year at the quoted compound interest rate.
    -The annual percentage rate (A.P.R.) is useful to the customer as it tells the actual cost of credit.
    -With add-on interest loans the interest is added to the principal as a condition of obtaining the loan.

11. -Complete the handout "Hammer Down Baby" located in the back of the lesson.

ACTIVITIES

1. Have students obtain information from various credit cardcompanies to compare interest rates and also make comparisons about when interest is applied to purchases (from the day of the purchase, only purchases 1 month old, etc.) and how interest is calculated (such as the average daily balance). Then compare the cost of credit on the various cards by calculating the interest costs for each card if you buy a $ 150 sweater on the 15th of the month and pay for it 30 days after you receive the bill.

CLOSURE

When you have completed these assignments, ask your instructor for the module test.

Student Name: _____

Chapter 4

FOUNDATION SKILLS
FINANCIAL MATHEMATICS

LEARNING OUTCOMES:

1. Define principal, rate, time, interest, and maturity value.
2. Solve interest formula problems when given two of the three components (principal, rate, or time).
3. Identify interest calculations that use exact interest-exact time, ordinary interest-exact time, or ordinary interest-ordinary time.
4. Calculate simple interest by using tables and calculators.
5. Identify interest calculations as discount, add-on, or simple interest.
6. Explain how annual percentage rate (APR) is useful to the consumer.
7. Identify the major difference between simple interest and compound interest.
8. Calculate compound interest by using tables.
9. Explain the results of mathematical computations to the customer or another student.
10. Explain the use of annual effective yield in comparing investments.

CHAPTER OUTLINE:

I. Two Things Customers Expect

Interest: _____

II. Interest Charges on Loans

Principal: _____

Rate: _____

Time: _____

Maturity Value: _____

A. Days in the term of the loan

Exact Interest-Exact Time: _____

_____

Ordinary Interest-Exact Time:_____

Ordinary Interest-Ordinary Time: _____

B. Calculation Interest

1. Discount Interest

Discounted: _____

Installments: _____

Annual Percentage Rate (APR): _____

2. Add-on Interest

Single Payment Loan: _____

3. Simple Interest

Simple Interest: _____

Amortization: _____

C. Using Amortization Tables

Amortization Schedules: _____

D. Real Estate Loans

E. Revolving or Open-End Credit

Average Daily Balance: _____

III. Interest on Savings and Investments

Certificates of Deposit: _____

Savings: _____

Liquid: _____

Investment: _____

A. Simple Interest

B. Using Tables for Simple Interest

C. Solving for Principal, Rate, or Time

I = P X R X T

P = ? _____

R = ? _____

T = ? _____

D. Compound Interest

E. Using Tables to Calculate Compound Interest

F. Annual Effective Yield (AEY)

Annual Effective Yield: _____

Student Name: _____

Chapter 4 / TEST A

FOUNDATION SKILLS
FINANCIAL MATHEMATICS

DIRECTIONS: Fill in the blanks with the most correct word or words.

1. The three things everyone needs to know, when solving for interest are:

   A. _____

   B. _____

   C. _____

2. With _____ interest loans the interest is added to the principal to obtain the loan amount.

3. The annual percentage rate (APR) is useful to the customer because

   _____

   _____

4. Each time a payment is made on a _____ interest installment loan, interest and part of the _____ are repaid.

5. The process of paying back the principal and interest of a loan through an installment process of equal periodic payments on a declining balance is called a _____

6. The annual effective yield is the actual interest rate that is paid on $ _____ for (#) ___ year(s) at the quoted compound interest rate.

Directions: You must show how you arrived at your answer in order to receive credit for the next four questions.

7. With a discount loan of $ 2,000 at a rate of 10%, the actual amount the borrower receives is _____

8. How long would it take a $ 1,000 deposit at 8% to earn $ 200 in interest?

_____

9. How much money is needed to be invested at 8% to earn $ 300 in six months? _____

10. I earned $ 50 with $ 1,000 on deposit for six months. What rate of simple interest did I earn? _____

Student Name: _____

CHAPTER 4 / TEST B

Foundation Skills: Financial Mathematics

DIRECTIONS: Fill in the blanks with the most correct word or words.

1. The three things everyone needs when solving for interest are:

   A. _____

   B. _____

   C. _____

2. The process of paying back the principal and interest of a loan through an installment process of equal periodic payments on a declining balance is

   called _____.

3. The annual effective yield is the actual interest rate that is paid on

   $ _____ for (#) ___ year(s) at the quoted compound interest

   rate.

4. With _____-_____ interest loans the interest is added to the principal to obtain the loan amount.

5. The annual percentage rate (APR) is useful to the customer because

   _____

   _____

6. Each time a payment is made on a _____ interest installment loan, interest and part of the _____ are repaid.

Directions: You must show how you arrived at your answer in order to receive credit for the next four questions.

7. How much money is needed to be invested at 8% to earn $ 300 in six months? _____

8. I earned $ 50 with $ 1,000 on deposit for six months. What rate of simple interest did I earn? _____

9. With a discount loan for $ 2,000 at a rate of 10%, the actual amount the borrower receives is how much?

_____

10. How long would it take a $ 1,000 deposit at 8% to earn $ 200 in interest? _____

Lesson 8

Service Technology

UNIT: BANKING AND INVESTMENT SERVICES

Performance Objectives:

Upon completion of this lesson, the student will:

1. List at least on unique characteristic for each of the four types of deposit accounts.
2. Match the various negotiable instruments such as cashier's checks, certified checks, personal checks, government checks and money orders to their particular features.
3. List the six elements of a negotiable instrument as defined by the Uniform Commercial Code (UCC).
4. List at least one unique characteristic of stocks, bonds, mutual funds, and limited partnerships.
5. Demonstrate your knowledge of Electronic Fund Transfer Systems and other services like safe-deposit boxes and night-deposit drops by listing three of each.

Introduction

This lesson explains the differences between the various types of financial businesses,the services they offer, and one specific code that regulates negotiable instruments.

Pre-Assessment

If you feel you know this material, ask your instructor for the test on this lesson. Otherwise, go to the next step for completion.

Methods/Procedures

For completion, you will need...

Textbook: Financial Services, 2nd edition

tools and equipment:

open mind, pencil & paper, markers, transparencies,

and an overhead projector

materials, books, etc.:

Chapter 5 Outline

Handout of Experience 5-1 & 5-2

Student Preparation

All or part of these activities will be assigned to you, depending on your individual needs.

1. Read pages 80 through 82 in the textbook:

-Complete your chapter outline through II. DEPOSIT SERVICES, A. Checking Accounts, 3. Share accounts
-Experience 5-1 will be modified, along with the other four Experiences. The class will be divided into four groups, each responsible for one of the four sections in this unit (Checking accounts, Savings accounts, Investment services, and Electronic Funds Transfer System (EFTS). See the instructor for specific assignments (classroom presentations, collections brochures, and industry interviews.

2. Read pages 83 through 85 in the textbook:

-Complete your chapter outline through II. Deposits Services, E. Retirement Savings Accounts.
-Experience 5-2 will be modified, along with the other four Experiences. The class will be divided into four groups, each responsible for one of the four sections in this unit (Checking accounts, Savings accounts, Investment services, and Electronic Funds Transfer Systems (EFTS).
See the instructor for specific assignments (classroom presentations, collection brochures, and industry interviews).

3. Read pages 86 through 90 in the textbook:

-Complete your chapter outline through III. INVESTMENT services, C. Brokerage Services, 4. Investment products.
-Experience 5-3 will be modified, along with the other four Experiences. The class will be divided into four groups, each responsible for one of the four sections of this lesson (Checking accounts, Savings accounts, Investment services, and Electronic Funds Transfer Systems (EFTS). See the instructor for specific assignments (classroom presentations, collections brochures, and industry interviews).

4. Read pages 90 through 93 in the textbook:

-Complete your chapter outline through IV. ELECTRONIC FUNDS TRANSFER SYSTEMS (EFTS), G. Home Banking.
-Experience 5-4 will be modified, along with the other four Experiences. The class will be divided into four groups, each responsible for one of the four sections in this unit (Checking accounts, Savings accounts, Investment services, and Electronic Funds Transfer Systems (EFTS). See the instructor for specific assignments (classroom presentations, collection brochures, and industry interviews).

5. Read pages 93 and 94 in the textbook:

-Complete your chapter outline through V. MISCELLANEOUS SERVICES.
-Complete Experience 5-5, Team Scavenger Hunt, on page 94.

Activities

1. Groups of students need to gather account information, ad, brochures, etc., in order to make a bulletin board displays for specific product areas such as checking accounts, savings accounts, investment services, retirement accounts, EFTS, and miscellaneous services.

Closure

When the student has completed the learning activities for this lesson, he/she should ask the instructor for the module test.

Student Name: _____

Chapter 5

Service Technology: Banking and Investment Services

LEARNING OUTCOMES:

1. List at least one unique characteristic for each of the four types of deposit accounts.

2. Match the various negotiable instruments such as cashier's checks, certified checks, personal checks, government checks, and money orders to their particular features.

3. List the six elements of a negotiable instrument as defined by the Uniform Commercial Code (UCC).

4. List at least one unique characteristic of stocks, bonds, mutual funds, and limited partnerships.

5. Demonstrate your knowledge of Electronic Fund Transfer Systems and some miscellaneous services like safe-deposit boxes & night-deposit drops by listing three of each.

CHAPTER OUTLINE:

I. "**Bankerese**": Are you knowledgeable or confused?

II. DEPOSIT SERVICES: _____

A. Checking Accounts

-check _____

1. Demand Deposit Accounts (DDA)

DDA _____

time deposits _____

2. Negotiable Order of Withdrawal (NOW) Accounts

Super NOW account _____

3. Share Accounts _____

Who offers them? _____

B. Money Market Accounts _____

-Money Market Deposit Account (MMDA) compete with mutual funds offered by investment brokers

C. Regular Savings Accounts

1. Passbook Savings _____

2. Statement Savings Accounts _____

3. Certificates of Deposit (CDs)

term _____ matured _____

negotiable certificates of deposit _____

D. Retirement Savings Accounts

IRAs _____

Keogh _____ SEPP_____

E. Checks

NEGOTIABLE INSTRUMENT _____

1. Personal and Business Checks _____

2. Government (treasury) Checks _____

3. Cashier's (treasurer's) Checks _____

4. Certified Checks _____

5. Traveler's Checks _____

6. Money Orders _____

F. Uniform Commercial Code (UCC) _____

List the six parts of a negotiable instrument (checks, share drafts, NOW drafts, etc.)

1. _____ 2. _____ 3. _____

4. _____ 5. _____ 6. _____

-nonnegotiable _____

III. INVESTMENT SERVICES

A. U. S. Savings Bonds

-face value _____

B. Trust Services _____

C. Brokerage Services

1. Full-Service Brokerage Firms _____

2. Discount Brokerage Firms _____

3. Bank Brokerage Firms _____

4. Investment Products

- Stocks_____- Bonds _____

- Mutual Funds _____

IV. ELECTRONIC FUNDS TRANSFER SYSTEMS (EFTS)

A. Automatic Deposit of Funds _____

B. Automatic Payment and Transfer _____

C. Telephone Bill-Paying and Transfer _____

D. Automatic Teller Machines (ATMs) _____

E. Debit Card _____

F. Point of Sale (POS) Terminals _____

G. Home Banking _____

V. MISCELLANEOUS SERVICES

-Safe-deposit Boxes_____

-Banking by Mail_____

-Drive-up Windows_____

-Night drops_____

Student Name: _____ **Due Date:** ___-___-___

Chapter 5 / Assignment

Service Technology: Banking and Investment Services

Commercial Bank/Credit Union: _____

Address & Phone Number: _____

Person Interviewed: _____

Product/Service: _____

Interview Questions:

1. Required opening balance_____
2. Minimum balance to maintain account_____
3. Monthly service charges on account and how the charges are calculated.

   _____

   _____
4. Are service charges eliminated if a minimum balance is maintained?

   _____
5. Are there withdrawal restrictions on the account?

   _____
6. Interest rate and how it is calculated? _____

   _____
7. How often is interest compounded? _____
8. Other account features (overdraft protection, direct deposit, line of credit) _____

Student Name: _____

Chapter 5 / Test A

Service Technology: Banking and Investment Services

DIRECTIONS: Choose the best answer, and mark it on this sheet.

1. Which of the following checks is issued by a financial institution on itself (also called a treasurer's check)?

   A. Government Check
   B. Cashier's Check
   C. Certified Check
   Answer: ___ D. Traveler's Check

2. Which of the following investments are known as securities?

   A. Mutual Funds & Real Estate
   B. Certificates of Deposits & Stocks
   C. Bonds & Real Estate
   Answer: ___ D. Stocks & Bonds

DIRECTIONS: Match one of the following terms with the most correct definition. Place the letter that represents the term next to your selection.

A. ATM	E. Mutual Funds
B. Certified Check	F. Face Value
C. NOW Account	G. Money orders
D. IRA	H. Stocks

3. ___ This is an investment which involves the ownership of a company.

4. ___ This is the worth of an investment document at maturity.

5. ___ This is a pool of money from many investors used to purchase a variety of securities.

6. ___ This is an account that an employed worker can open to save money for the retirement of themselves and others.

7. ___ This is an interest bearing savings account that operates very much like a checking account.

8. ___ People who do not have checking accounts use this negotiable instrument to pay bills.

9. ___ What is a check that is guaranteed by the financial institution to be good for the entire amount?

10. ___ This is an electronic funds transfer system that allows 24-hour access to checking and savings accounts.

Student Name: _____

CHAPTER 5 / TEST B

Service Technology: Banking and Investment Services

DIRECTIONS: Choose the best answer, and mark it on this sheet.

1. Which of the following checks is not drawn on a bank (also called a treasury check)?

   A. Government Check
   B. Cashier's Check
   C. Certified Check
   D. Traveler's Check

   Answer: ___

2. Which of the following investments are known as securities?

   A. Stocks & Bonds
   B. Certificates of Deposits & Stocks
   C. Bonds & Real Estate
   D. Mutual Funds & Real Estate

   Answer: ___

DIRECTIONS: Match one of the following terms with the most correct definition. Place the letter that represents the term next to your selection.

A. IRA	E. Mutual Funds
B. Negotiable Instrument	F. NOW Account
C. Trust Account	G. Money Orders
D. ATM	H. Stocks

3. ___ This is an electronic funds transfer system that allows 24-hour access to checking and savings accounts.

4. ___ This is an investment which involves company ownership.

5. ___ What kind of an account is developed when one party holds property for the benefit of another.

6. ___ This is a pool of money from many investors used to purchase a variety of securities.

7. ___ This is an account that employed workers can open to save their money for the retirement of themselves and others.

8. ___ This is an interest bearing savings account that operates very much like a checking account.

9. ___ People who do not have checking accounts use this negotiable instrument to pay their bills.

10. ___ A document that serves as a written order or promise of the debtor to pay the creditor.

Lesson 9

All-Purpose Teller

UNIT: Consumer Credit

Performance Objectives:

Upon completion of this lesson, the student will:

1. List eight types of credit extended to businesses and consumers.
2. List five sources of credit.
3. List four costs associated with credit.
4. List five reasons credit is extended to businesses and consumers.
5. List seven benefits of using credit.
6. Write a brief explanation of two State of Michigan and four Federal controls used to regulate the use of credit.

Introduction

This lesson explains in a broad fashion many variations of credit, who offers this service, why it is extended to businesses and consumers, and how it is governed.

For completion, you will need:

Textbook: Financing, LAP 2: Credit and Its Importance (available from MarkED Resource Center; Columbus, Ohio, Telephone (1-800-448-0398).
Tools and equipment: pencil and calculator
Outline for LAP 2
Handout: Counting on Credit

Pre-Assessment

If you feel you know this material, ask your instructor for the test on this lesson. Otherwise, go to the next step in completing this lesson.

Student Preparation

All or part of these activities will be assigned to you, depending on your individual needs.

1. Read pages 3 through 5 in LAP2:

   -Complete your LAP outline through II. Types of Credit.
   -Use the list of types of credit accounts on your outline, which you just filled out and list one financial institution that offers that service with each type of credit account. Label it Experience 1-1.

2. Read pages 5 through 6 in LAP 2:

   -Complete your LAP outline through IV. Cost of Credit.
   -Label this assignment Experience 4-1. Calculate the cost of credit for a 15 year mortgage at 7.375%, on a $ 100,000 principal with a monthly payment of $ 927.00. Show your calculations: ANSWER = $ 66,860.00

3. Read pages 7 through 8 in LAP 2:

   -Complete your LAP outline through VI. Benefits of Obtaining Credit.
   -Label this assignment Experience 6-1. Assume you are selling a Bank Credit Card to another Career Center student while working at our CP credit union in the commons area. Write down the three benefits you would use in your presentation and why you chose those three.4. Read pages 8 and 9 in LAP 2:

   -Complete your LAP outline through VIII. Legislation Affecting Credit.
   -Label this assignment Experience 8-1. Choose the state or Federal legislation you feel is the most important. Then write down why you believe it is the most important and give an example of a case where it would help someone or some business.

Activities

Contact an employee (loan officer) involved in extending credit at a Bank, Credit Union, Savings & Loan, or Financial Company and interview them by phone or in person. You will need to find out the types of credit they offer, the benefits they apply to extending credit, and which Michigan or Federal regulations most effect their doing business.

Closure

When the student has completed these learning activities, the instructor will administer the module test.

Student Name: _____

Chapter 7

Consumer Credit

LEARNING OUTCOMES:

1. List eight types of credit extended to businesses and consumers.
2. List five sources of credit.
3. Identify four costs associated with credit.
4. Characterize five reasons credit is extended to businesses and consumers.
5. Describe seven benefits of using credit.
6. Write a brief explanation of two Michigan and four Federal controls used to regulate the use of credit.

CHAPTER OUTLINE:

I. What is credit?

-Credit: _____

II. Types of Credit

-Revolving credit accounts: _____

-Installment credit accounts: _____

-Regular credit accounts: _____

-Budget credit accounts: _____

-Bank credit cards: _____

-Travel and entertainment cards: _____

-Secured loans: _____

-Unsecured loans: _____

III. Sources of Credit

A. Commercial Banks

- Types of credit offered: _____

B. Saving and Loan Associations

- Type of credit offered: _____

C. Credit Unions

- Type of credit offered: _____

D. Sales Finance Companies

- Type of credit offered: _____

E. Other Business (manufacturers, wholesalers, and retailers)

- Types of credit offered: _____

IV. Costs of Credit

-Annual fees: _____

-Finance charges: _____

-Higher prices: _____

-Interest rates: _____

V. Reasons for Offering Credit

A. To be competitive

B. To gain new customers

C. To encourage customers to buy

D. To foster company loyalty

E. To use as a marketing-information tool (How?)

VI. Benefits of Obtaining Credit

A. Purchase expensive items, like _____

B. Take advantage of its convenience. How? _____

C. Purchase emergency items, like _____

D. Maintain appropriate stock levels. How? _____

E. Have cash available. How? _____

F. Establish a credit rating. Why? _____

G. Save money. How? _____

VII. Legislation Affecting Credit

A. State Laws

-Uniform Commercial Credit Code (UCCC): _____

_____

-Retail Installment Sales Act (RISA): _____

_____

B. Federal Laws

-Truth-in-Lending Act: _____

_____

-Equal Credit Opportunity Act: _____

_____

-Fair Credit Billing Act: _____

_____

-Fair Credit Reporting Act: _____

Student Name: _____

Chapter 7 / TEST A

Credit and Its Importance

DIRECTIONS: Choose the best answer, and mark it on this sheet.

1. What credit legislation requires businesses to give consumers specific information pertaining to credit, such as amount financed, interest rates, payment schedules, and penalties?

   A. Fair Credit Billing Act
   B. Equal Credit Opportunity Act
   C. Truth-in-Lending Act
   D. Fair Credit Reporting Act

   Answer: ___

2. What credit legislation gives businesses which extend credit to customers specific deadlines by which they must respond to customers' complaints about billing errors?

   A. Fair Credit Billing Act
   B. Equal Credit Opportunity Act
   C. Truth-in-Lending Act
   D. Fair Credit Reporting Act

   Answer: ___

DIRECTIONS: Match one of the following terms with the most correct definition. Place the letter that represents that term next to your selection.

A. Revolving credit account
B. Installment credit accounts
C. Regular credit card
D. Budget credit accounts
E. Bank credit cards
F. Travel and Entertainment cards
G. Secured loans
H. Unsecured loans

3. ___ Credit cards issued by banks and accepted at a variety of participating businesses.

4. ___ A credit limit is set at the time the credit account is opened, and the customer can charge up to that limit, paying the entire amount due at the end of the month or by making payments over a period of time.

5. ___ A loan obtained simply by signing a promissory note.

6. ___ An open account which allows credit users to buy at any time during a set period and pay the entire amount due at the end of the time period.

7. ___ Short-term credit that does not charge interest if the credit user makes payments on time.

8. ___ A borrower pledges some valuable possessions as collateral to guarantee repayment of the loan.

9. ___ Account set up to handle one total amount of credit which is paid in portions within a certain period of time.

10. ___ Credit cards which are used in restaurants, clubs, hotels, and motels.

Student Name: _____

Chapter 7 / Test B
Credit and Its Importance

DIRECTIONS: Choose the best answer and mark it on this sheet.

1. What credit legislation prohibits the denial of credit based on the applicant's gender, race, age, or national origin?

   A. Fair Credit Billing Act
   B. Equal Credit Opportunity Act
   C. Truth-in-Lending Act
   Answer: ___ D. Fair Credit Reporting Act

2. What credit legislation gives consumers the right to inspect their credit history files?

   A. Fair Credit Billing Act
   B. Equal Credit Opportunity Act
   C. Truth-in Lending Act
   Answer: ___ D. Fair Credit Reporting Act

DIRECTIONS: Match one of the following terms with the most correct definition. Place the letter that represents that term next to your selection.

A. Budget credit account	E. Bank credit cards
B. Regular credit cards	F. Travel and Entertainment cards
C. Installment credit accounts	G. Unsecured Loans
D. Revolving credit accounts	H. Secured Loans

3. ___ Credit cards issued by banks and accepted at a variety of participating businesses.

4. ___ A credit limit is set at the time the credit account is opened, and the customer can charge up to that limit, paying the entire amount due at the end of the month or making payments over time.

5. ___ A loan obtained simply by signing a promissory note.

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7. ___ Short-term credit that does not charge interest if the credit user makes payments on time.

8. ___ A borrower pledges some valuable possession as collateral to guarantee repayment of the loan.

9. ___ Account set up to handle one total amount of credit which is paid in portions within a certain period of time.

10. ___ Credit cards which are used in restaurants, clubs, hotels, and motels.

Lesson 10

Supervision

UNIT: Supervision

Performance Objectives:

Upon completion of this lesson, the student will be able to:

1. Write a business philosophy which explains how the student's particular set of beliefs or guiding principles will be used to conduct business with the public and through employees.

2. Demonstrate knowledge of the importance of supervisory responsibilities as evidenced by the ability to:

   a. Recruit, select, and hire financial services employees.
   b. Train financial service employees.
   c. Supervise by:
      1. Motivation of employees
      2. Handling corrections
      3. Evaluating employees

3. Exhibit the characteristics of a professional at all times.

Introduction

This lesson explains in a broad fashion the concept of a business philosophy and how it is used to guide an organization in working with customers, supervising employees, and managing activities.

For completion, you will need...
Textbook: Financial Services, 2nd edition
Chapter 11 Outline
Tools and equipment: Video camera, T.V., and V.C.R.

Pre-Assessment

If you feel you know this material, ask you instructor for the test on this lesson. Otherwise, go to the next step for completion of the lesson.

Student Preparation

All or part of these activities will be assigned to you, depending on your individual needs.

1. Read pages 178 and 179 in the textbook:

   -Complete your chapter outline through II. Philosophy of Supervision and Management.
   -Each group of students should write their own business philosophy for a bank or any business of their choice.

2. Read pages 179 through 181 in your textbook:

   -Complete your chapter outline through B. Selecting Employees.
   -Complete Experience 11-1, Selecting Employees, on page 181 in your textbook.

3. Read pages 182 through 184 in the textbook:

   -Complete your chapter outline through F. Outside training.
   -Complete Experience 11-2 on paper. Two or three students will be asked to demonstrate to the class:

   1. Home row of an 11-key calculator.
   2. Complete an all cash deposit and run a tape.
   3. Complete a single slip deposit and run a tape.

4. Read pages 186 through 190 in the textbook:

   -Complete your chapter outline through the end

Activities

1. With a classmate, plan and conduct a 5-day seminar on financial services marketing. Invite five experts from supervisory or management positions to meet with your class on five successive days. Students will select the five topics for the seminar.

Closure

When you have completed the activities of this lesson, ask your instructor for the module test.

Student Name: _____

Supervision

Chapter 11

LEARNING OUTCOME:

I. Formulate a business philosophy.

II. Demonstrate knowledge of the importance of supervisory responsibilities as evidenced by the ability to:

A. Recruit, select, and hire financial service employeess
B. Train Financial service employees
C. Supervise by:

1. Motivating employees
2. Handling corrections
3. Evaluating employees

III. Exhibit the characteristics of a professional at all times.

CHAPTER OUTLINE:

I. Sunburst Bank, Granada, Mississippi

Vision Statement: "I envision a bank in which the staff and management have total confidence not just in themselves, but also in those with whom they work, as well as respect for the various roles to be played out in achieving excellence essential to success as a whole."

II. Philosophy of Supervision and Management

* Business philosophy: _____

Individual or group activity: Each group needs to write their own business philosophy for a bank or any business of their choice.

III. Supervisory Responsibilities

* Supervisor: _____

* Supervision: _____

A. Recruiting employees

1. Internal

2. External

B. Selection of employees

Experience 11-1: Selecting Employees / Video interviews

IV. Training Financial Service Employees

A. Employee orientation

Orientation: _____

B. Training needs

C. Supervisors as teachers and coaches

D. The four step method of training

E. Conducting of group meetings or classes

1. prepare the leader

2. present the material

3. try out under supervision

4. check on learning

F. Outside training

Experience 11-2: Everyone does it on paper, but only selected students will demonstrate for the class.

1. Home row of an 11 key calculator.
2. Complete an all cash deposit and run the tape.
3. Complete a single split deposit and run the tape.

V. **Supervising Employees**

A. Motivating employees

* Motivation: _____

* Group morale: _____

* Individual morale: _____

B. Handling Corrections

Correction: _____

C. Evaluating Employees

VI. Becoming a Professional

A. Continuing to learn

B. Sharing knowledge

C. Serving others

Student Name:_____

Chapter 11 / Test A

Supervision

DIRECTIONS: Choose the best answer, and mark it on the sheet.

1. Which of the following is one's particular set of beliefs or guiding principles for the way in which business is to be conducted with the public and through the employees?

   A. Marketing philosophy
   B. Market research
   C. Business philosophy
   D. Marketing Mix

   Answer: ___

2. Which of the following is NOT an external source for recruiting of employees for financial institutions?

   A. Accounting department
   B. Schools and colleges
   C. Employment agencies
   D. Advertising

   Answer: ___

DIRECTIONS: Match one of the following terms with the most correct definition. Place the letter that represents that term next to your selection.

A. Prepare the Learner	D. Check on learning	G. Evaluating employees
B. Present the material	E. Motivation	H. Halo effect
C. Try out under supervision	F. Handling corrections	

3. ___ During a meeting overhead projectors, charts, handouts, and visual aids are used to explain or demonstrate what the group needs to be able to know or do.

4. ___ There are three primary reasons for this process: feedback, improving performance, & promotions/dismissals.

5. ___ This is when the trainer in a meeting asks questions and listens carefully to answers, then remedies the errors.

6. ___ This term is defined as the internal drive to accomplish a particular goal.

7. ___ This is the process by which the supervisor clears up any mistake in knowledge, a skill, or an attitude of an employee.

8. ___ This step in conducting group meetings tells the class what the session or meeting is all about by setting the objectives for the class.

9. ___ This is when an interviewer is guilty of being influenced by one mannerism or trait of an applicant.

10. ___ During this step of the meeting the class demonstrates a process, role-plays a customer interaction or completes a worksheet to demonstrate their learning.

Student Name: _____

Chapter 11 / Test B

Supervision

DIRECTIONS: Choose the best answer, and mark it on this sheet.

1. Which of the following is one's particular set of beliefs or guiding principles for the way in which business is to be conducted with the public and through employees?

   A. Business philosophy
   B. Market research
   C. Marketing philosophy
   D. Marketing Mix

   Answer: ___

2. Which of the following is NOT an external source for recruiting employees of financial institutions?

   A. Casual applicants
   B. Schools and colleges
   C. Employment agencies
   D. Advertising department

   Answer: ___

DIRECTIONS: Match one of the following terms with the most correct definition. Place the letter that represents that term next to your selection.

A. Prepare the learner	D. Check on learning	G. Evaluating employees
B. Present the material	E. Motivation	H. Halo effect
C. Try out under supervision	F. Handling corrections	

3. ___ This term is defined as the internal drive to accomplish a particular goal.

4. ___ This is the process by which the supervisor clears up any mistake in knowledge, a skill, or an attitude of an employee.

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8. ___ This is when the trainer in a meeting asks questions and listens carefully to answers and then corrects errors.

9. ___ During this step in the meeting the class demonstrates a process, role-plays a customer interaction or completes a worksheet to demonstrate their learning.

10. ___ This is when an interviewer is guilty of being influenced by one mannerism or trait of an applicant.

Lesson 11

Wall Street and the INTERNET

UNIT: Securities Trading

Performance Objectives:

1. Students will be introduced to the process of making INTERNETsearches for stock information.
2. Students will learn how to access "briefing books" for virtually any publicly held company.
3. Students will understand how to analyze the performance of a company by reading the five-year performance figure and the 200-day moving average.
4. Students will be able to access current stock information of publicly traded companies by company name or stock code.
5. Students will understand how to obtain press releases for publicly traded companies.

Introduction

This lesson plan will introduce students to the Internet using Netscape Navigator 2.0 to find stock information about virtually any publicly traded company.

For completion, you will need...

1. Computer withInternet access and Netscape Navigator 2.0
2. Net Search handouts for Wall Street Journal Interactive
3. Worksheets for analyzing company performance.

Student Preparation

Previous knowledge of or experienc on the Internet prior to this exercise would be helpful, but not essential.

Methods/Procedure

Instructor will advise students as to the investment potential of blue chip stocks. These stocks usually perform better than the overall market average.

1. What is the currect Dow Jones Industrial Average?

2. Explaining the definition of "average" this would indicate that many stocks perform better, some much than the market average.

3. Explain the concept of risk vs. return.

4. Explain the process of liquidating or selling stock.

5. Help students to more effectively evaluate stock market returns against other types of investments.

Activities

Have students access the Internet by using the Netscape Navigator and:

1. When the Netscape main menu appears, click on "What's Cool?"

2. When the "What's Cool" menu appears on the screen, click on "The Wall Street Journal Interactive Edition".

3. The first time the student enters "WSJ", he or she will be required to complete a registration form. Once the form is completed, their name and password will be retained for future access. At time of this printing, **the Wall Street Journal currently charges a fee of $49 per year for this service (as of April 28, 1997).**

4. Once the student has been admitted, the WSJ Front Page will appear (Handout #1).

5. At the top right hand of the page, the following menu should appear:

   HELP
   SEARCH
   QUOTES
   VOICES
   JOURNAL
   LINKS

6. Click on "QUOTES" (Handout # 2).

7. Under "If you are not sure of a symbol, you can...", click on"Search by company name". In the block that appears, enter "the Coca Cola Company".

8. The search should result in a "Quotes at a Glance" screen which will indicate (Handout # 3):

   Symbol Last Change Volume

   A news flag appearing by the symbol indicates that there is a current news story involving the company. This may not necessarily be a story about the company, but will appear if there are any stories that make a reference to the company. The stories are often about competing companies.

9. Have the student click on the symbol. This will produce a screen entitled, "Company Snapshot". This more detailed report will offer a briefing book on the company. At "Obtain a Briefing Book on Coca-Cola Co., the" click on "Coca-Cola. This will produce a screen entitled "Company Briefing Book" with the following menu (Handouts #4 & #5):

   COMPANY BACKGROUND
   FINANCIAL OVERVIEW
   STOCK PERFORMANCE
   COMPANY NEWS
   PRESS RELEASES
   COMPANY SNAPSHOT

   Click on "STOCK PERFORMANCE".

   A graph will appear, charting the company's stock fluctuations for the last 200 days. The lower left of the chart will provide additional information. The second page of this screen will present a "Five-Year Total Return" on the stock. The student will notice three lines on the graph. The solid line represents the company, the broken line represents the industry, and the shaded area represents the DJ Equity Market Index (Handouts #6 & 7).

10. Have students complete the Activity Sheet by accessing the WSJ Interactive information.

Closure

In closing this lesson, explain to the students that this information is available on virtually every company that is publicly traded.

Handout # 1

The Wall Street Journal
Interactive Edition

Front Page

Monday, April 28, 1997 – Last Updated 7:20 p.m. EDT

What's News—

* * *

Business and Finance

BOEING'S STOCK tumbled Monday as first-quarter results fell short of expectations. Although the aviation giant's earnings more than tripled, Boeing warned that profit margins may be squeezed and that competition for new orders remains intense.

* * *

Metromedia agreed to sell entertainment assets to Metro-Goldwyn-Mayer for $573 million, a bid to increase its focus on its telecommunications business. MGM will acquire Metromedia's film and television library and its production and distribution operations.

* * *

Stocks and bonds posted moderate gains on Monday. The Dow Jones Industrial Average climbed 44.15 to 6783.02, ending a three-session losing streak. The Treasury's long bond added more than 1/4 point.

* * *

WORLD WIDE NEWS

High Court Upholds Billboard-Ad Ban On Tobacco, Liquor

The Supreme Court, in an apparent victory for Clinton's proposed crackdown on tobacco advertising, left intact Baltimore's bans on billboard ads for cigarettes and alcoholic beverages.

PAGE ONE

Moving to Center, British Labor Party Captures Big Lead

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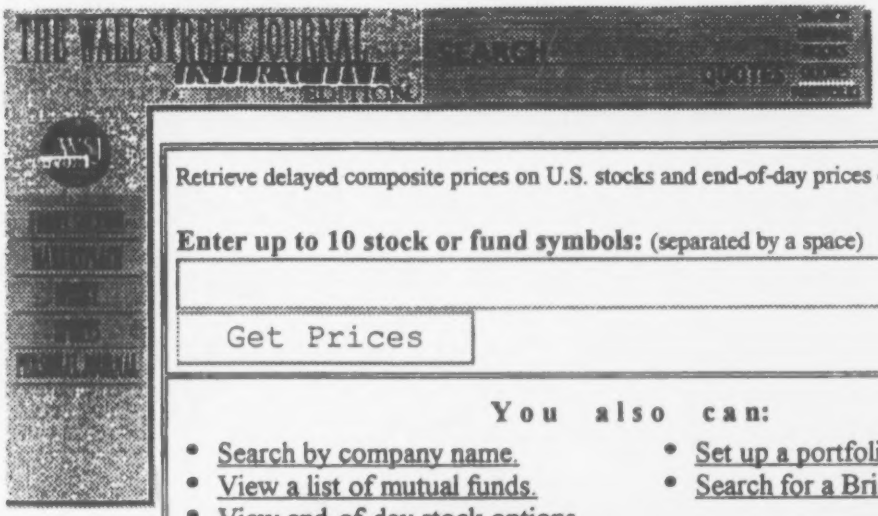
Handout # 2

Search Quotes

QUOTES SEARCH – WSJ Interactive Edition http://interactive4.wsj.com/edition/resources



Retrieve delayed composite prices on U.S. stocks and end-of-day prices on mutual funds.

Enter up to 10 stock or fund symbols: (separated by a space)

Get Prices

You also can:

- Search by company name.
- View a list of mutual funds.
- View end-of-day stock options.
- Set up a portfolio.
- Search for a Briefing Book.

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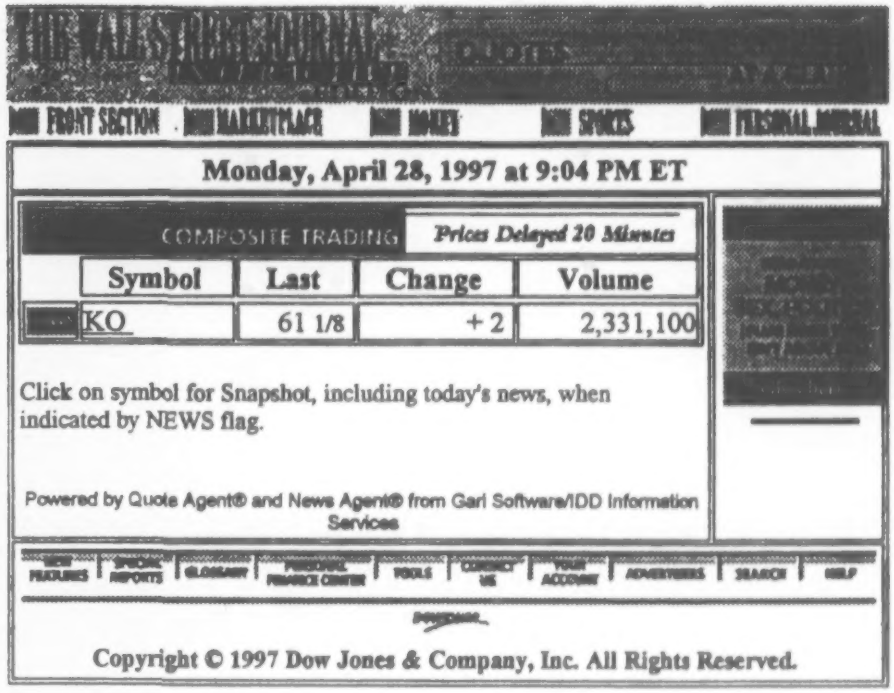
Handout # 3
Quotes at a Glance

AT-A-GLANCE – The Wall Street Journal Interactive Edition Version



Monday, April 28, 1997 at 9:04 PM ET

COMPOSITE TRADING *Prices Delayed 20 Minutes*

Symbol	Last	Change	Volume
KO	61 1/8	+2	2,331,100

Click on symbol for Snapshot, including today's news, when indicated by NEWS flag.

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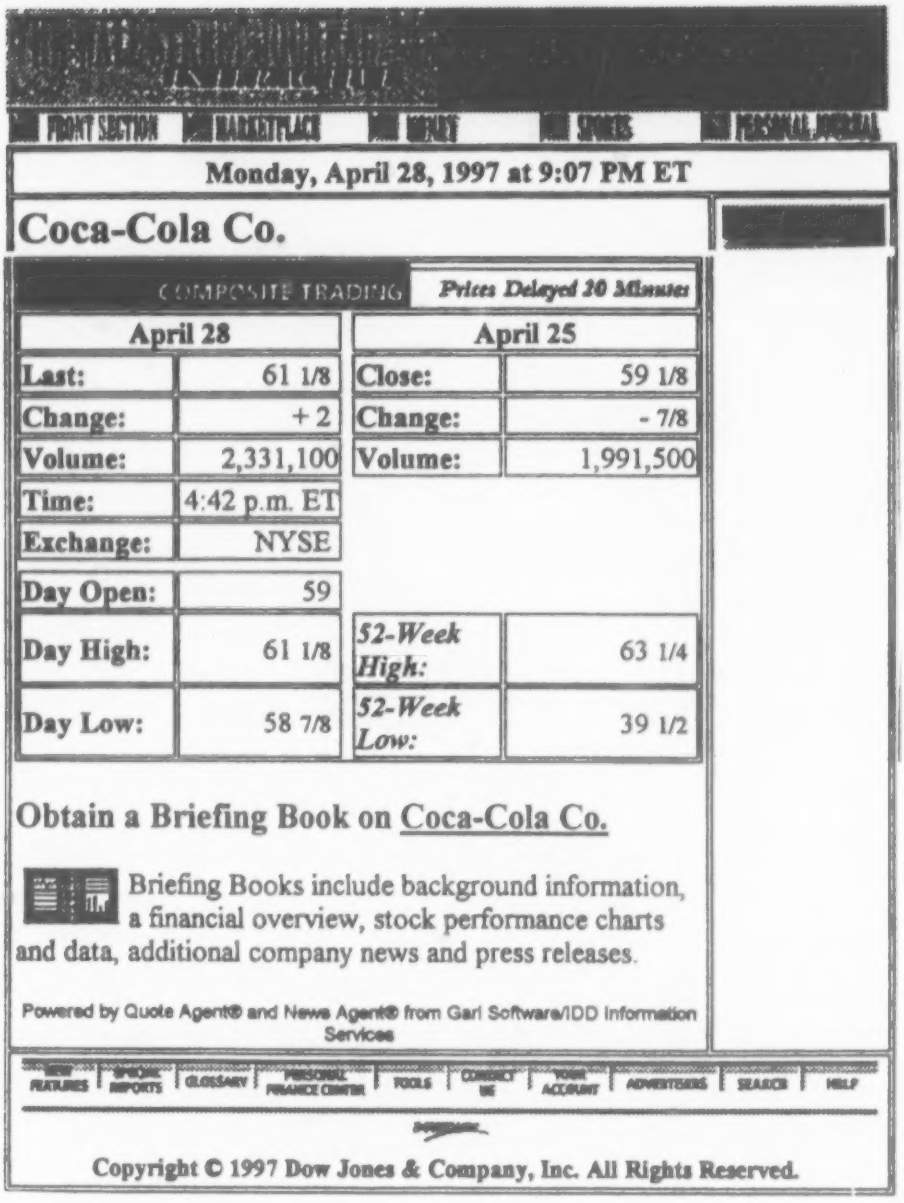
Handout #4

Company Snapshot



FRONT SECTION | MARKETPLACE | MONEY | SPORTS | PERSONAL JOURNAL

Monday, April 28, 1997 at 9:07 PM ET

Coca-Cola Co.

COMPOSITE TRADING — *Prices Delayed 20 Minutes*

April 28		April 25	
Last:	61 1/8	**Close:**	59 1/8
Change:	+ 2	**Change:**	- 7/8
Volume:	2,331,100	**Volume:**	1,991,500
Time:	4:42 p.m. ET		
Exchange:	NYSE		
Day Open:	59		
Day High:	61 1/8	***52-Week High:***	63 1/4
Day Low:	58 7/8	***52-Week Low:***	39 1/2

Obtain a Briefing Book on Coca-Cola Co.

Briefing Books include background information, a financial overview, stock performance charts and data, additional company news and press releases.

Powered by Quote Agent® and News Agent® from Garl Software/IDD Information Services

NEW FEATURES | SPECIAL REPORTS | GLOSSARY | PERSONAL FINANCE CENTER | TOOLS | CONTACT US | YOUR ACCOUNT | ADVERTISERS | SEARCH | HELP

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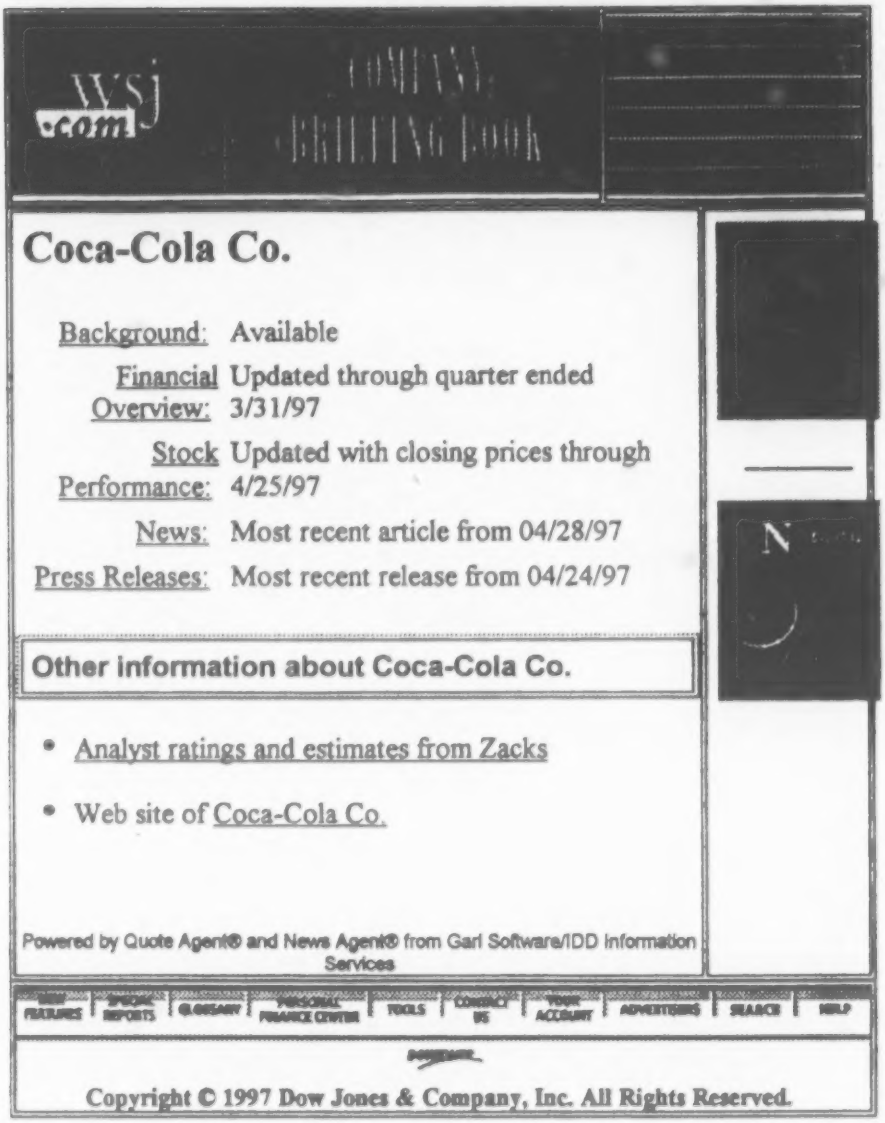
Handout #5
Company Briefing Book



WSJ .com

Coca-Cola Co.

Background: Available

Financial Overview: Updated through quarter ended 3/31/97

Stock Performance: Updated with closing prices through 4/25/97

News: Most recent article from 04/28/97

Press Releases: Most recent release from 04/24/97

Other information about Coca-Cola Co.

- Analyst ratings and estimates from Zacks
- Web site of Coca-Cola Co.

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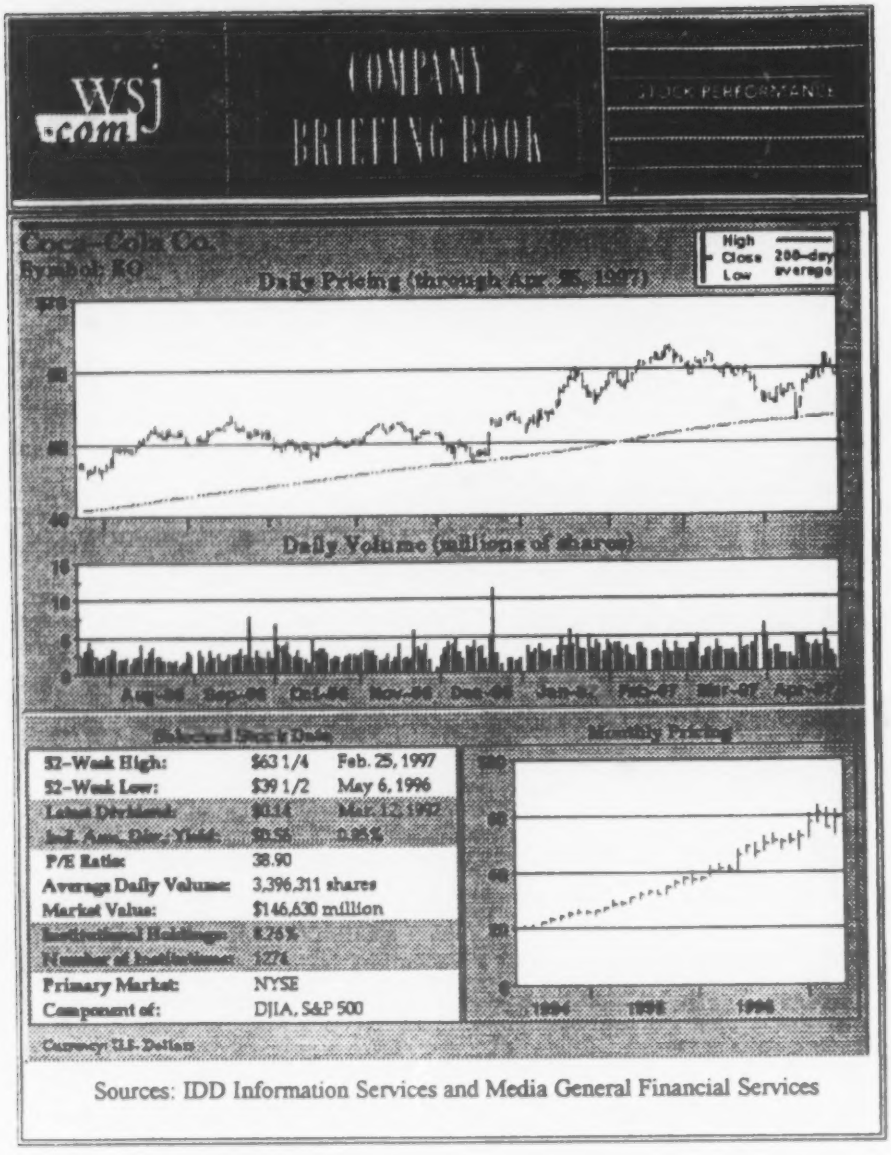
Handout # 6

Company Briefing Book
The Coca Cola Company
(Stock Performance)



Sources: IDD Information Services and Media General Financial Services

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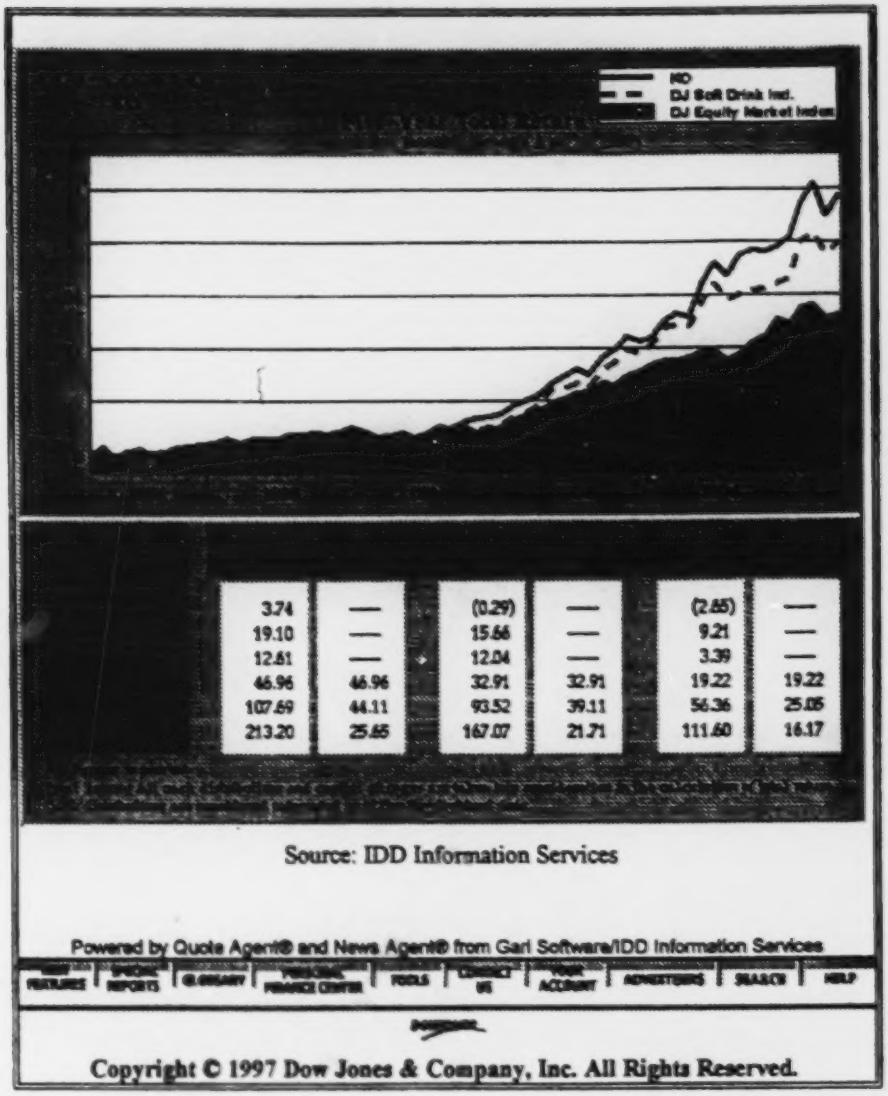
Handout # 7

Company Briefing Book
Stock Performance (Five-Year Total Return)



3.74	—	(0.29)	—	(2.65)	—
19.10	—	15.66	—	9.21	—
12.61	—	12.04	—	3.39	—
46.96	46.96	32.91	32.91	19.22	19.22
107.69	44.11	93.52	39.11	56.36	25.05
213.20	25.65	167.07	21.71	111.60	16.17

Source: IDD Information Services

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Activity Sheet

1. Find the NYSE stock code abbreviation for The Coca-Cola Company.

   _____

2. Enter the stock code and find the current per/share price of The Coca-Cola Company.

   _____

3. Is the stock up or down? by how much? _____

4. What is the 52-week high for The Coca-Cola Company?

   _____

5. Is the current price closer to the 52-week high or low (Circle H or L)?

6. What is the P/E Ratio of the company? _____

7. A $ 1,000 investment in the company in 1991 would have more than doubled by the end of (year) _____.

8. The current return on that $ 1,000 investment is _____%, or $ _____. Its current value would be $ _____.

9. In comparison to the Beverage Industry Index, is Coke's performance better or worse? _____ By how much? _____

10. In comparison to the DJ Equity Market Index, is Coke's performance better or worse? _____ By how much? _____

Lesson 12

Money and Financial Institutions

UNIT: FINANCIAL INSTITUTIONS

Performance Objectives:

The students will be able to:

1. Comprehend the structure of the United States banking system from the Federal Reserve Bank to a local financial institution.
2. Explain the role financial institutions play in a local economy.
3. List a minimum of three types of financial institutions and give local examples.
4. Discuss the various financial instruments and be aware of alternatives that are available.
5. Explain how electronic banking is used in today's society.

Introduction

Have students make a list of all financial institutions they have used in the last month.

Student Preparation

1. Read definitions of types of financial institutions and determine what type students have listed.
2. Make a wall chart of the various institutions.
3. Extend the chart to each Federal Reserve branch city and bank city.
4. Label the Federal Reserve districts on a map.
5. Draw and label a flow chart of the Federal Reserve System.
6. List the various uses for local financial institutions.
7. Discuss how deposits are used and what impact federal regulation has on how funds are put to use in each type of institution.

8. Demonstrate a PC program for electronic banking.

9. Invite a representative from a local financial institution to address your class.

Methods/Procedures

Research
Small Group
Demonstration
Discussion
Collaboration

Lesson 13

Inflation & Unemployment: Theories & Policies

UNIT: Monetary and Fiscal Policies

Performance Objectives:

The students will be able to:

1. Understand goals of the Federal Reserve with regard to monetary policy and economic growth.

2. Explain and use basic terms (see vocabulary list).

3. Read and discuss the article and interpret unemployment charts.

4. List reasons why employees are laid off and/or how workers can be better prepared to get a full-time job.

Introduction

Ask students to list five items they will buy in the next month (Column I) and the approximate price (Column II) of each item. Make a master list for classroom use. Have students multiply the price by 2.5% (Column III) and by 5% (Column IV).

Methods/Procedures

Personal Exploration
Group Interaction and Sharing
Collaboration and Discussion
Reading
Interpretation of Written Materials and Charts

1. Hand out the Federal Reserve Policy for price stability, full employment, economic growth, and non-inflation. Read and discuss major issues.

2. Look at the student columns of numbers and discuss the fact that the Fed feels 2.5% is "non-inflationary". How does this impact student budgets?

3. If there is only a 2.5% inflation rate for two years (Column IV) would the students' buying decisions change on those products or services?

4. Discuss "downsizing" and how it might affect the students' life style.

5. Use terms to list reasons for purchases (or not) of the products named in class. Summarize in a paragraph supporting choices made. Include how the concept of "downsizing" might impact upon the students' lives.

6. Introduce vocabulary: Inflation, price stability, non-inflation, affordability, opportunity costs, choice, fixed income, minimum wage, fixed and variable expenses, full-time employment.

7. Based upon the WALL STREET JOURNAL classroom edition article, "Closer to Home", answer the following questions:

   a. How is economic growth measured?
   b. What is happening in the Midwest according to the article?
   c. Research and reflect upon the reality of what really happened in 1996.
   d. What effect did pent-up demand for consumer goods have upon Texas and the Rocky Mountain states?
   e. Ask them to prepare a personal business letter requesting a copy of "Employment and Earnings", from the U. S. Department of Labor.
   f. When current statistics arrive, graph the changes on a line or bar graph and present to the class.

8. Discuss and compile reasons why employees are laid off--including both economic-based and employee-based answers.

   a. Debate pros and cons of an increase in the minimum wage.
   b. Assign the WALL STREET JOURNAL classroom edition article, "Experience Counts". After reading the suggestions, have them develop a resume.
   c. Ask students to identify the jobs they are qualified for at this time and the "dream job" they hope to have in the future.

Activities

Possible follow-up activities/discussions: Personal bankruptcy filings, changes in consumer credit, debt levels, changes in wages.

Read the WALL STREET JOURNAL classroom edition, February 1995, page 10, "What do Employers Want?"

References

WALL STREET JOURNAL, classroom edition, February 1995, pg. 10, "What Do Employers Want?"; pages 12-13, "Living for Today; and for independent study pages 16-17, "Sliding Scale".

Lesson 14

Foreign Exchange & International Finance

UNIT: International Trade and Finance

Performance Objectives:

The students will be able to:

1. List, define, and apply important terms involved with international trade.
2. Comprehend the role banks serve in importing and exporting.
3. Realize the importance of international trade to our economy.
4. Be aware of a minimum of five foreign currencies.
5. Complete exercises computing exchange rates with various countries and the value of the dollar compared to YEN and MARKS.
6. Compute values and services for various currency exchange rates.
7. Know functions of the International Monetary Fund/World Bank.

Introduction

Ask students to go through their clothing and shoes to establish where they were manufactured. Come to class with a list of at least five items, all from different countries. Using the world map in the classroom, "tag" countries with types of items to be produced in those countries.

Methods/Procedures

Reading and investigation
Computation
Map work
Defining terms
Drawing personal conclusions
Collaboration and team work
Independent research for personal enrichment

1. Define and be able to use terms: foreign exchange market (FX),GATT, NAFTA, tariff, quota,protectionism, balance of trade, GDP/GNP, IMF, exchange rate, flexible exchange rate, world bank (the International Bank for Reconstruction and Development).

2. Read and discuss the Federal Reserve Bank of New York publication, "The Basics of Foreign Trade and Exchange".

3. Use worksheets to learn and practice monetary exchange rates. (C.W. Publications, volume 14, #8, April 1995 Newsletter).

4. Using the list of five items purchased in the last month from a store, complete the following exercises: 1) get a current WALL STREET JOURNAL and convert the price of each item from U.S. currency to the currency of that country. 2) make a chart listing the item, U. S. price, country of origin, converted price with name of currency, 3) present to the class.

   ADDITIONAL INDEPENDENT RESEARCH: 1) Explore the minimum wage (or hourly average wage) of that country compared to the current minimum wage of the United States. Contrast and compare. 2) Explore the impact of import/export quotas and tariffs.

5. Have students and staff bring in samples of foreign currency or invite a bank representative to visit the classroom to discuss currency exchange practices.

6. Read Chapter 4, pgs. 63-77 of IMPORT/EXPORT PROCEDURES (Kruzel & Reynolds); FINANCING INTERNATIONAL TRADE and worksheet exercises, pgs. 79-81, Southwestern Publishing, 1992.

Additional Resources:

Business in a Global Economy, Southwestern, Dlaby & Scott, 1996, Chapter 7.
Economics, Southwestern, Wilson & Clark, volume 2, Chapter 23.

Lesson 15

Budgeting

UNIT: Financial Planning & Control

Performance Objectives:

The student will be able to...

1. Realize budgeting encompasses more than just a plan for saving and spending.
2. Understand and readily incorporate vocabulary words into everyday language.
3. Be aware of current banking regulations and practices that pertain to consumer accounts.
4. Know the positive and negative effects of the use of consumer credit.
5. Be able to utilize electronic banking for everyday transactions and information, and know the fee structure for usage.
6. Understand basic concepts of computer financial management software.
7. Differentiate among types of financial institutions and be able to choose wisely.
8. Incorporate long- and short-term goals in the budget process.

Introduction

Ask students to make a private record of the following:

1. What item with a price over $ 1,000 would they like to own in five years?
2. What item with a price of over $ 20,000 would they like to own in ten years?
3. Survey they class to determine how many of their families use electronic banking and/or computer financial management software (use these students for future resources).

Introduction

Ask students to make a private record of the following:

1. What item with a price over $ 1,000 would they like to own in five years?

2. What item with a price of over $20,000 would they like to own in ten years?

3. Survey the class to determine how many of their families use electronic banking and/or computer financial management software (use these students for future resources).

Methods/Procedures

Guest Speakers
Investigation
Read and Define Terms
Interaction with Family/Community Members
Personal Discovery and Goal Setting
Research of Current Periodicals
Discussion

1. Discuss budgets; how they are formulated and revised, important items to include, changes based on ages of consumers and income levels, family composition, fixed and variable expenses, short- and long-term goals.

2. Incorporate in a budget a savings plan including: choosing wisely, informed buying decisions, planning for retirement, planning vacations/leisure time.

3. Be able to define and use the following vocabulary words: Truth in Savings Act, Savings and Loan Associations (Thrifts), credit union, banks, annual percentage yield (APY), day-of-deposit to day-of-withdrawal (DDDW) method, nonbanks, commercial check-cashing companies (poor people's banks), basic banking (lifeline banking), electronic benefits transfer (EBT), electronic funds transfer (EFT), prescreening/preapproved, peridoic rate, average daily balance, rule of 78 (sum of the digits method), certificate of deposit, annuity, mutual fund, individual retirement plan (IRA), 401(k) retirement plan, employee stock ownership plan (ESOP), optimizing, lifestyle, price discrimination, budget constraint, budget line, bandwagon effect, snob effect, conspicuous consumption, planned buying, impulse buying, home buying, consumer decisions, comparison shopping,financing.

4. Invite guest apeakers from local financial institutions to present information about consumer accounts and credit. Encourage students to discuss with parents the positive benefits of student saving and checking accounts.

   Read and review current literature from the American Banking Association, Consumer Federation of America, and recent issues of consumer/financial periodicals.

5. Use worksheets and exercises to calculate short- and long-term investments. Include savings accounts, CD's, annuities, and others. Show through the use of computer printouts the growth of investments at various rates of interest, the positive effect of compounding, saving small amounts of money over time.

   Have each student print out a savings plan using a computer program over a period of time using their current age to retirement age.

6. Visit a financial institution and tour the facility. View demonstrations of the use of electronic banking and discuss features and fees.

7. Use software to demonstrate financial management programs currently available for computer use. (Use those students for resources too!) If possible, have each student formulate a budget using a software program.

8. Chart fees charged and interest earned by area banks based upon: account type, minimum balance, age of consumer, special accounts/packages, service charges, interest earned, and calculation of interest.

   This can be included in items above.

This unit is expanded to include a much longer time frame and can be revisited throughout a class as various topics could be added to a budget plan.

Resources:

Consumer Economic Issues in America, 3rd Edition, Dame Publications, Inc. 1995, Garman, Chapters 12, 13, 18.

Economics, Volume 2, SouthWestern, Wilson & Clark, pgs. 3-33.

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